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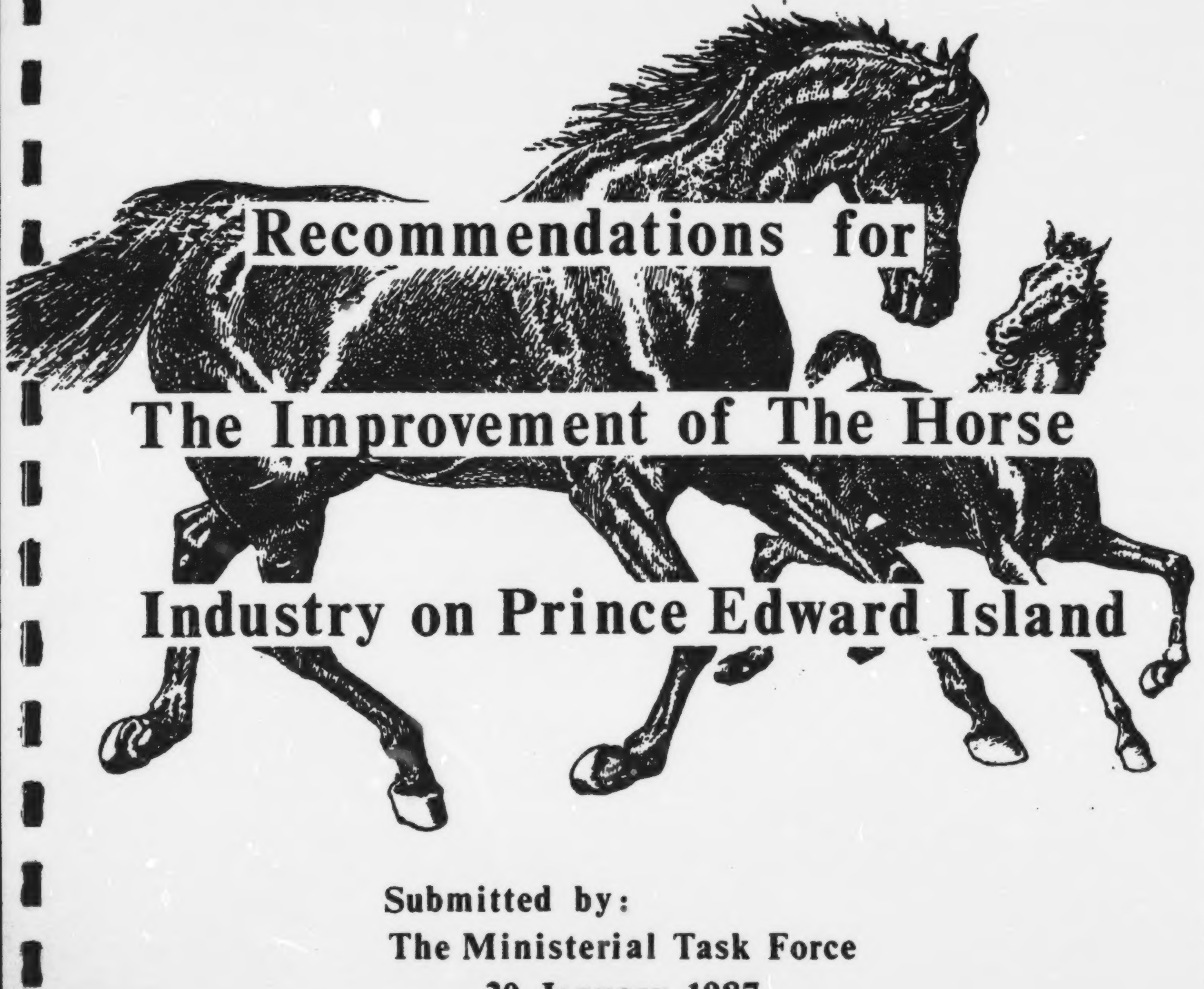
HONORABLE TIM CARROLL
Minister of Agriculture



Recommendations for The Improvement of The Horse Industry on Prince Edward Island

Submitted by:
The Ministerial Task Force
20 January 1987

HONORABLE TIM CARROLL, MINISTER

Prince Edward Island Department of Agriculture

RECOMMENDATIONS FOR
THE IMPROVEMENT OF THE HORSE INDUSTRY ON
PRINCE EDWARD ISLAND

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    H. Canadian Trotting Association
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    J. P.E.I. Racing Commission
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    L. Hillsboro Trotting Club
    M. P.E.I. Standardbred Horse Owners Association
    N. Prince County Horsemans Association
    O. Alberton Driving Park
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    Q. Ken Crockett
    R. Jack Cruickshank
    S. Gerry Evans
    T. Douglas Harkness
    U. Fraser Nicholson

1. INTRODUCTION

The Honorable Tim Carroll, Minister of Agriculture for the Province of Prince Edward Island announced on September 19 1986, the formation of a Ministerial Task Force to study the horse industry on Prince Edward Island.

The following persons were named to the Task Force by the Minister, Honorable Tim Carroll:

Joe Revell, 34 Maple Ave., Sherwood, P.E.I. C1A 6E3

Wendell Shaw, 46 MacDougall Dr. St. Eleanors, P.E.I. C1N 5E5

Kenneth Macdonald, Whim Road, Montague, P.E.I. C0A 1R0

Wendell Grasse, Dept. of Agriculture, Box 1600, Charlottetown
P.E.I. C1A 7N3

The Task Force members selected Joe Revell as Chairman.

The Terms of Reference for the Study were:

1. To receive submissions from all interest groups which have a legitimate stake in the Horse Industry on Prince Edward Island.

2. To study the current state of the Horse Industry on Prince Edward Island.

3. To submit a report to the Minister of Agriculture for the Province of Prince Edward Island, containing recommendations for the improvement of the Horse Industry on Prince Edward Island.

2. PROCEDURE

2.1 A concentrated effort was made to contact any and all groups with an interest in the Horse Industry on Prince Edward Island through paid advertisments in Atlantic Post Calls, the local media and through direct contact by members of the Task Force.

2.2 Interest groups were requested to prepare and present to the Task Force written briefs which contained:

   a. specifications relating to any restrictions that were considered to be obstructing the development of their specific sector of the industry ,

   b. recommendations containing possible methods for corrective action that could be taken to overcome these restrictions and,

Procedure

2.2 (cont'd)

c. general recommendations which would allow the Horse Industry to achieve its maximum development and potential as an industry in the Province of P.E.I.

2.3 Task Force hearings were scheduled for the weeks of Nov. 3 through Nov. 8, and Nov. 24 through Nov. 29, 1986.

Copies of all presentations were received prior to the scheduled presentation to the Task Force providing members with adequate time to become familiar with the contents. The actual presentations and discussions were tape recorded for future reference as required.

2.4 The following organizations responded with a written brief and were represented by those persons identified with each organization..

Atlantic Standardbred Breeders Association	Jack Ferguson Orville Willis Phillip Kelly Norman Reeves
Island Quarter Horse Association	Boyd MacDonald Gerald Dixon Joyce Birt
P.E.I. Colt Stakes Association	Ron Kennedy Norman Hall
P.E.I. Draft Horse Association	Elwood Lawton Dr. Bill Best
P.E.I. Hunter Breeders Association	Barbara MacKay Barbara Jewell Janet O'Neill
Maritime Breeders Association Ltd.	Ken Starrett Alfred Moeller
Atlantic Veterinary College	Dr. Reg Thomson Dr. Tim Ogilvie Dr. Jamie Amend
Canadian Trotting Association	Herb Shannon John Hayes
Island Horse Council	Peter Sorenson Val Sullivan Heather MacGregor Andy Robb

Procedure

2.4 (cont'd)

P.E.I. Racing Commission	Ross LeFurgey Gordon Carr Pius Callaghan Allan MacLeod
Tourism Industry Association of Prince Edward Island	Jim Larkin
Hillsboro Trotting Club & Charlottetown Driving Park	Barry MacDonld Bob McGee Merrill MacLean
P.E.I. Standardbred Horse Owners Association	Lowell Stead Albert Bernard Dr. Ian Moore
Prince County Horsemans Association	Lea Bell Chris Snively Jim Grant
Alberton Driving Park (Prince County Exhibition Association)	Ron Gamble Gordon Warren
Montague Driving Park	Arnold Tremere Albert Fraser

The following individuals submitted briefs:

Ken Crockett, Summerside, P.E.I.

Jack Cruickshank, Halifax, N.S.

Gerry Evans, Charlottetown, P.E.I.

Douglas Harkness, Atlantic Post Calls, Amherst, N.S.

Fraser Nicholson, Assistant Secretary, Council of Maritime Premiers, Halifax, N.S.

2.5 Following the formal hearings, the Task Force prepared a report containing recommendations for the improvement of the Horse Industry on Prince Edward Island and presented that report to the Minister of Agriculture for Prince Edward Island, Hon. Tim Carroll on Jan. 20, 1987.

3. EXECUTIVE SUMMARY

3.1 Issue: The Honorable Tim Carroll, Minister of Agriculture for the Province of Prince Edward Island requested assistance in the determination of policy and programs in support of all facets of the horse industry in Prince Edward Island.

3.2 Procedure: A Task Force consisting of three members from the industry at large plus one member from the Prince Edward Island Department of Agriculture was appointed by the Minister Hon. Tim Carroll on 10 October 1986. Presentations from interested industry organizations were solicited, received and studied by the Task Force. Additional available information on the horse industry was reviewed and a report was compiled containing recommendations for consideration in the development of policies and programs in support of the horse industry on Prince Edward Island.

3.3 Conclusions Reached:

a) Potential of Industry on P.E.I.

The horse industry is very significant in Prince Edward Island. Conservative estimates place the contribution to be in excess of twenty million dollars ($20,000,000) annually to the economy of this Province. The Industry is seen as a major employer in the agricultural sector of this province providing income for many full and part-time workers. The Charlottetown Driving Park alone stimulates approximately 900 full and part-time positions in horse-related activities with resultant salaries of over two million dollars ($2,000,000) annually. The industry is seen as being ecologically and esthetically attractive to the Province and is virtually pollution-free. The Province possesses all the required ingredients to support further development of the horse industry. Most of the capital-intensive facilities are present, and the required land is available. There is widespread inherent interest and the capabilities of the breeders, trainers and riders/drivers are well developed. Professional and technical support services are available. Markets are expanding for Island-bred horses and recent years have seen many top quality locally produced horses being sold to off Island interests for significant dollars.

The Task Force concluded that the horse industry is rich in opportunity for further development in the Agricultural and Tourism sectors of Prince Edward Island.

3.3

b) Breeding Sector - Basic to Development

The economic impact of the horse industry would be maximized if the invested and generated dollars remained within this province. As the horse is the nucleus of the industry, it appeared the production of that horse had to be the basis of any developmental programs. Therefore the Task Force concluded that the basic thrust of programming in support of the further development of the horse industry should focus on the breeding sector.

c) Necessary changes to facilitate development

The areas of regulations and legislation were revealed as being major restrictions to further development of the horse industry as a whole. These restrictions were associated with the Income Tax Act of Canada, The P.E.I. Horse Racing and Sports Commission Act and the Day of Rest Act as it relates to Sunday Racing in this Province. The Task Force concluded that appropriate changes will have to be made in these respective acts if the horse industry is to achieve its maximum development on P.E.I.

3.4 General Recommendations:

The Task Force recommends that:

a) The Prince Edward Island Department of Agriculture recognize the Horse Industry as a significant sector of Agriculture and implement programs in support of its further development with emphasis on the breeding sector.

b) The Prince Edward Island Department of Agriculture, in support of the P.E.I. Horse Industry, develop policy which is designed:

1) To support initiatives which will promote improved quality, not increased quantity.

2) To support initiatives which are equally available to all Island residents.

3) To support programs which have a Breeders Award component equalling at least 10% of any developmental funding.

4) To support programs which are results oriented and contain identified targets and specific time frames for achieving those targets.

3.4 b) (cont'd)

5) To support programs which are directed toward Island-bred* or Island-foaled horses.

c) The Prince Edward Island Department of Agriculture implement the Developmental Initiative in support of the breeding sector of the Island Horse Industry as outlined in Section 7.

d) The Prince Edward Island Department of Agriculture assist the Horse Industry by recommending necessary legislative changes to permit the Industry to develop to its maximum potential.

1) The Day of Rest Act
2) The Income Tax Act of Canada
3) The P.E.I. Horse Racing and Sports Commission Act

e) The Prince Edward Island Department of Agriculture assist the Horse Industry by supporting the project recommendations contained in Section 12 of this report which include:

1) Livestock Exhibition Facility
2) Horse Production and Marketing Specialist
3) The Atlantic Veterinary College and the Horse Industry
4) Prince Edward Island Racetrack Assistance Program
5) Prince Edward Island Trail Network

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*Island-bred, for the purpose of this report, is defined as meaning "the owner of the mare at the time of breeding was an Island resident."

4. SPECIFIC RECOMMENDATIONS

In support of the general recommendations outlined in the Executive Summary, the Task Force recommends that:

4.1 The Prince Edward Island Department of Agriculture recognize the Horse Industry as a significant sector of Agriculture and implement programs in support of its future development with emphasis on the breeding sector.

4.2 The Prince Edward Island Department of Agriculture, in support of the P.E.I. Horse Industry, develop policy which is designed to:

Support initiatives which will promote improved quality, not increased quantity.

Support initiatives which are equally available to all Island Residents.

Support programs which have a Breeders Award component equaling at least 10% of any developmental funding.

Support programs which are results oriented, and contain identified targets and specific time frames for achieving those targets.

Support programs which are directed towards Island-bred or Island-foaled horses.

4.3 The P.E.I. Department of Agriculture implement the developmental initiative in support of the Breeding Sector of the Island Horse Industry as outlined in Section 7 of this report.

At such time as the various breeds develop to meet the criteria, the programs would provide:

Genetic Improvements Initiative	Maximum	$ 97,900
Superior Awards - Island-Bred - non-stakes category	Maximum	150,000
Regional stakes	Maximum	56,000
	Total	$303,900

4.4 The Government of Prince Edward Island allocate an amount of money equal to 3% of the gross dollars expended by Islanders on Atlantic Loto purchases on a yearly basis, to be used exclusively to fund the initiatives for further development of the breeding sector of the horse industry on P.E.I.

Specific Recommendations (cont'd)

4.5 The structure of the P.E.I. Racing Commission be a three-member board appointed by government.

4.6 The existing part-time position be expanded to provide for a full time Executive Manager of the P.E.I. Racing Commission.

4.7 The office facilities for the P.E.I. Racing Commission be arranged at the Farm Centre in Charlottetown, if possible, and discussions be undertaken to arrange for secretarial and clerical assistance as would be required.

4.8 The Government utilize the full 1 1/2% of the parimutual tax (approximately $86,000 in 1986), not rebated to the tracks to provide the Commission with its operating budget.

4.9 Immediate review of the legislation by competent counsel be conducted with particular reference to:

1. The jurisdiction of the Commission to make findings and reach decisions which promote the development of the industry as a whole.

2. The powers of the Commission, notably the power to make and enforce regulations.

3. The Right of Appeal for Commission decisions, notably the protection of Commission rulings from frivolous appeals leading to protracted proceedings which in turn lead to confusion and uncertainty both for the public and for the industry.

4.10 Immediate review by the Commission of all rules and regulations governing race meets (U.S.T.A., Commission, Stakes Events and Track Rules) with the aim of providing one rule book for P.E.I.

4.11 The jurisdiction of the Commission be transferred to the Department of Agriculture, from the Department of Community and Cultural Affairs, in order to consolidate all jurisdictional aspects of the industry.

4.12 The Commission in consultation with appropriate bodies in Nova Scotia and New Brunswick should:

1. Develop and support a series of educational seminars for officials, including encouragement and support for officials to attend national seminars.

2. Arrange a regional rotation of key officials, on an experimental basis, during peak race times.

Specific Recommendations (cont'd)

4.13 The Government of P.E.I. request the Council of Maritime Premiers to investigate the feasibility and desirability of establishing a Maritime Racing Commission or Commissioner.

4.14 Immediate steps be taken to remove the legislative restrictions to Sunday racing.

4.15 The Racing Commission, in conjunction with the tracks, initiate a thorough study of the classification system, with the betting public as much in focus as the horse owner. The resulting system should provide for:

a) Conditions to be written to encourage young horses;

b) Aged horses to be moved into realistic claiming races;

c) Maximum incentive to owners and drivers to give full and consistent effort in race performance;

d) Conditions which are easily understood and are appealing to the racing public.

4.16 The Racing Commission continue to allocate race dates following guidelines outlined in recommendation 10.2 on page 35.

4.17 Triactor betting be phased down so that no more than three triactors per card would be permitted during the 1988 racing season.

4.18 The Government of Prince Edward Island through the Department of Agriculture assist those interested parties in achieving their objective through the construction of an appropriate complex for livestock exhibitions and sales on Prince Edward Island.

4.19 The Minister of Agriculture provide the horse industry with a field worker to assist the industry in the areas of production, promotion and marketing.

4.20 The P.E.I. Department of Agriculture promote and assist cooperative efforts involving the Atlantic Veterinary College, the P.E.I. Department of Agriculture and the Horse Industry in an effort to realize the maximum benefits from this valuable resource centre--The Atlantic Veterinary College.

4.21 The P.E.I. Race Track Assistance Program be developed and offered to any track on P.E.I. in order to assist in modernizing facilities for existing patrons and attract new patrons to the horse industry.

Specific Recommendations (cont'd)

4.22 The Government of Prince Edward Island provide assistance, where possible, to the Island Horse Council in their efforts to establish an Island-wide Trail Network for use by all recreational interest groups.

4.23 The Prince Edward Island Department of Agriculture assist the horse industry by recommending necessary legislative changes to the Income Tax Act of Canada.

5. BACKGROUND

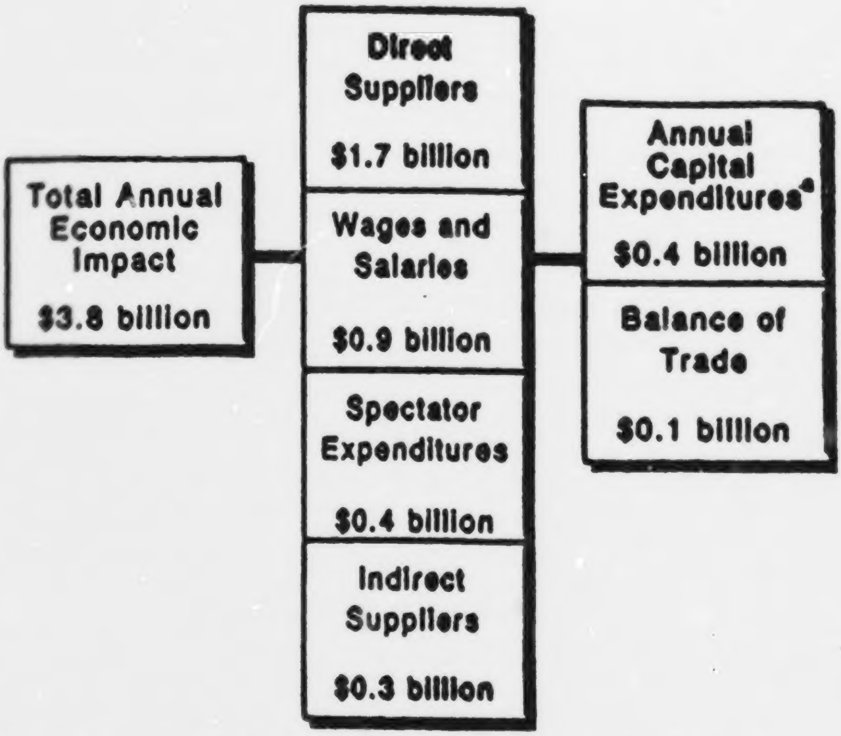
5.1 General approach to Report:

The general approach employed by the Task Force members toward the compilation of this report for the Minister of Agriculture was that our primary responsibility was to recommend policy which could be adopted by the Government for the improvement of the total horse industry on Prince Edward Island. Programs reflecting stated policy were suggested and where appropriate, consideration was given to both short-term and long-term objectives for the improvement of the industry. Dollar values were attached to each suggested program at a level which was considered to be required to produce a significant effect.

In addition to the information contained in the presentations from the different organizations, all available pertinent studies, surveys and reports were considered. No attempts were made by the Task Force to conduct additional financial or statistical surveys on the horse industry in this Province. Instead, the Task Force accepted the validity of the reports which are listed in the Bibliography.

5.2 Economic Importance of the Industry in Prince Edward Island:

Several studies in recent years have documented the economic impact of the Horse Industry in Canada and in Prince Edward Island. Although the total dollar values vary among the different reports, it is recognized by the consultants that the Horse Industry generates millions of dollars and is of significant economic importance to this province. The 1986 Woods Gordon report identified in the bibliography depicts the total annual economic impact in Canada in 1983.


Total Annual Economic Impact
$3.8 billion
Direct Suppliers
$1.7 billion
Wages and Salaries
$0.9 billion
Spectator Expenditures
$0.4 billion
Indirect Suppliers
$0.3 billion
Annual Capital Expenditures[a]
$0.4 billion
Balance of Trade
$0.1 billion

The horse industry has a major economic impact in Canada. 630,000 horses generate almost $4 billion in economic activity. 16 million spectators attend horse shows, rodeos and races. Another 220,000 are involved as owners while about 100,000 people are directly employed. The industry is a direct contributor to government revenue, paying nearly $260 million in local, municipal and federal taxes.

There are impressive numbers of people involved in the horse industry without even considering any of the employees who receive part or all of their income from related activities. There are about 220,000 owners of horses in Canada with about 190,000 horse establishments.

Three types of activities involve large numbers of spectators: racing, rodeos and shows. In total, about 16 million spectators attend horse events in Canada--the majority (83%) for racing. There are spectator events held year round, indoors and outdoors and across the country.

More people attend horse entertainment activities than live performances of all the arts combined and more than all professional sporting events held in Canada.

In total, about 100,000 persons are employed directly in the horse industry as paid workers. In comparison with other industries, the horse industry is very labor intensive. It employs more than twice the number of people employed by industries such as airlines, or investment companies and security dealers.

Background (cont'd)

Prince Edward Island is reported to have more horses per square mile and more people involved with horses per capita than any other province in Canada. Therefore, relating Canadian figures to Prince Edward Island by any standard (ie. percentage horse population; percentage of farms; etc.), the proportionate economic impact is considered to be well in excess of twenty million dollars ($20,000,000) annually.

The 1985 report for the Charlottetown Driving Park compiled by Thorne Kellogg and Stevenson identifies approximately 900 full and part-time jobs and annual income in excess of $2,000,000 as being associated with the Charlottetown Driving Park and its related horse activities. This report further identifies $225,000 generated annually in direct and indirect taxes by the Charlottetown Driving Park.

It is estimated by the consultants that an additional $1,000,000 is spent in P.E.I. by visitors and horsemen during the Old Home Week activities. Any "multiplier effect" which would be considered accurate (reported to be 2.5 for race track operations) would lead one to believe that the horse industry does have a significant economic impact on Prince Edward Island.

In general, the Task Force concluded that the horse industry is very significant in P.E.I. and is a major source of employment for many islanders.

5.3 Potential for further development:

The Task Force concluded that Prince Edward Island possesses many of the natural resources for further development of the horse industry in the breeding sector and in tourism-related areas.

a) The available land and climate are ideal for the production of grains and forages required in the livestock industry. As feeds are frequently one of the major costs associated with livestock production, P.E.I. is fortunate to have the capacity to supply top quality feeds at affordable prices. The fact that the Island currently exports top quality forages to the highly competitive and selective hay markets of Great Britain is testimony to the quality and production capabilities of Island producers.

An expansion in the grain-producing capabilities of Island farms will be assisted by the Atlantic Livestock Feed Initiative (ALFI) program which is presently being developed by Agriculture Canada and the P.E.I. Department of Agriculture. The Island is nearly self sufficient in this

Background

5.3 a) cont d

area and the A.L.F.I. program will foster an improvement in the quality of the cereal grains and field crops produced. Therefore, the further development of the horse industry should not be impeded by a lack of readily available and affordable livestock feeds.

b) The further development in the horse industry should be directed primarily to the quality of the horse production not in increased production. As there are presently large numbers of horses produced annually on P.E.I., no further land base would be required to accommodate improved quality.

However, P.E.I. does have the advantage in Atlantic Canada of having additional land available for increased production if and when the markets will support an increased number of sale offerings. This fact does not apply to Nova Scotia and New Brunswick to the same degree and should provide P.E.I. with a competitive edge in the breeding sector of the horse industry in this geographic area.

c) Many of the capital-intensive facilities are in place on P.E.I. farms to support the breeding industry. As the thrust will not be directed to quantity, the existing facilities on farms will be sufficient to support increased quality production. In the standardbred industry alone, there are approximately 450 broodmares--at least one half of which should be culled immediately due to poor quality.

Some or all of these culled mares could be replaced with mares of superior quality and genetics. This replacement of the broodmare band would not require additional land or building expenditures by producers, racetracks or governmental services.

d) Prince Edward Islanders possess and demonstrate a natural affinity for the horse of any breed. Our culture and heritage have a long and strong association with the equine species and Islanders have achieved many accomplishments from which we all take pride. Virtually all the horses produced locally and offered for sale are very well grown, developed and presented, although many lack quality in the area of conformation and/or performance as a result of their genetic background.

The expertise is available to produce horses of improved quality and there is an available labor force for any additional employment that would result in the long term.

e) Livestock Production units, especially horse breeding farms, are esthetically pleasing to the observer, generally contribute to a "green belt" effect around population densities and are virtually pollution free. This is in contrast to industrial developments which frequently require major capital inputs, produce minimal long-term employment and frequently are suspect to some forms of pollution (visual, noise, atmospheric or waste product) of the environment.

Further developments in the breeding sector of the horse industry would not involve major consumption of electricity or energy in any form. Elaborate ventilating and heating systems are not utilized in horse production--somewhat in contrast to hog and poultry production systems where energy consumption and costs are significant factors to be considered. Further developmental changes in the horse industry should be well received by the citizens of this Province.

f) Prince Edward Island is fortunate to be the location of the Atlantic Veterinary College. This facility will be a very important support service to a developing horse industry. Modern facilities and expertise will be unparalleled in Atlantic Canada and will be a strong attraction for any new establishments in the horse industry such as training facilities or breeding operations. The design and construction of facilities at AVC reflect a strong commitment to basic services and planned research in the equine species.

g) A beneficial effect from any expanded or further developed horse industry would be the positive financial impact on rural P.E.I. By far the majority of breeding operations in this province are mixed farms scattered throughout the three counties of Kings, Prince and Queens. Typically, horses are bred and raised on family farms and integrated with other livestock or cropping operations. Although there are some larger commercial operations breeding horses exclusively, these are the exception rather than the rule. Traditionally the small breeder in a mixed farming operation has had a more stable and viable income when compared with the larger commercial breeding farm. The beneficial effects of an improved horse industry would be reflected across rural Prince Edward Island.

h) Prince Edward Island has historically been called "The Kentucky of Canada". Many visitors come to the Island each year to enjoy the rural atmosphere and peaceful scenic farmlands. An expanded livestock sector and the thrill of harness racing at any of the racetracks in P.E.I. could do little but enhance the appeal of the Island in the eyes of the tourist. Many P.E.I. farm vacation homes report horses to be the most popular animal around the farm for both the young and older visitors.

Background

5.3 h (cont'd)

Traditionally on P.E.I. the highlights of the summer season are the Lobster Carnival and Old Home Week in Summerside and Charlottetown respectively. It is clearly evident that harness racing, horse shows and livestock exhibitions involving the huge draft horses are the major drawing cards for these festivities. The exhibitions have been so important to the tourism industry that these two exhibitions are seen as the anchors to the tourist season on P.E.I.

The Old Home Week and Provincial Exhibition has been moved back one week in August in an attempt to prolong the tourist season and keep visitors occupied for a longer time each summer. It is a documented fact that horse racing and other horse activities outdraw any other spectator sport in Canada--and Prince Edward Island is no exception. The traditional attendance figures for the Gold Cup and Saucer as well as the Governor's Plate rank these two sporting events as the top drawing cards of all Island activities in any calendar year.

Any improvements in the horse industry on Prince Edward Island will be reflected in the Tourism Industry and in fact the economy of the Province as a whole.

The Task Force concluded that Prince Edward possesses all the necessary ingredients to support an improved and expanded horse industry which would be of economic benefit to the total province.

RECOMMENDATION:

The Prince Edward Island Department of Agriculture recognize the horse industry as a significant part of the Agriculture and Tourism sectors and implement programs in support of the industry's future development with emphasis on the breeding aspect.

6. POLICY OBJECTIVES

The cornerstone upon which to build future developmental programming was considered to be the breeding sector--recognizing that the following policy objectives relate to improvement initiatives in any sector of the industry.

6.1 To support initiatives which will promote improved quality not increased quantity.

Policy Objectives

6.1 (cont'd)

It was the stated opinion of several groups and individuals who made presentations to the Task Force that what is required is better quality not greater quantity in the marketplace. Historically the sales have rewarded those breeders who present a superior product; however, all too few of the sales offerings are superior individuals. Many horses have been sold at sales in recent years well below the cost of production--in fact in some cases below the cost of the breeding fees. This was generally an accurate assessment of what the buyers considered the animals' worth to be in respect to quality. It is stated earlier in this report that perhaps one half the present broodmares in any breed of the horse industry should be immediately culled and replaced with mares of superior quality genetics. Although that statement could be attributed to many livestock populations in many areas, it is extremely appropriate to the horse breeding industry in this province.

Some presentations promoted a subsidy on breeding stock purchases based on defined parameters of the animals' breeding and/or performance and/or production. The Task Force disagreed with this approach because the potential for error and abuse is ever present in this type of an initiative. Past experiences with initiatives of this type in other jurisdictions have revealed that subsidies on breeding stock frequently resulted in higher prices being charged for animals simply because the subsidy existed. It was the general concensus of opinion that if sufficient incentives are put in place to improve quality, then breeders will quickly respond with their own ingenuity and ability.

Therefore the Task Force concluded that initiatives in support of quality improvements should be in the form of financial awards to the quality achievers, not capital cost assistance or grants to the breeding sector in general.

6.2 To support initiatives which are equally available to all Island residents.

This policy objective simply relates to the fact that the Task Force felt that all Islanders should have equal opportunity to benefit from any incentive programming in support of further development of the horse industry. As alluded to in the previous recommendation, in any program wherein some administrative group (breed organization, Department of Agriculture personnel or independent appraiser) has to rule on the request for support under any developmental initiative, the potential exists for unequal accessibility.

Policy Objectives

6.2 (cont'd)

Initiatives which reward the superior quality achievers (ie. stakes winners) are considered by the Task Force to be universally available to all who wish to participate.

6.3 To support programs which have a Breeders Award component equaling at least 10% of any developmental funding.

Any breeding incentive program must recognize the breeder of the top quality animals as well as the present owner in any purse distributions. In some of the more successful Sire Stakes programs in Canada and the U.S.A. the financial returns to the producer from the Breeders Award is frequently greater than the price received from the initial sale of the offspring.

To ensure that the financial incentives in the breeding sector have a direct and substantial effect in the Agricultural communities throughout Prince Edward Island, Breeders Awards must be a very significant and integral part of all programming.

6.4 To support programs which are results oriented and contain identified targets and specific time frames for achieving those targets.

It was the feeling of the Task Force that any incentive program should have identifiable targets and specific time frames for the industry to achieve those expected results. What those specific parameters should be in the breeding sector could require futher consultation with the industry. However, parameters could reflect average sales figures, money earnings of sale animals, total dollars earned in breeders awards, etc., within a program life span of five years. A program duration of less than five years would be insufficient considering that a period of three years could elapse between the purchase of the broodmare (or sire) and the sale of the resultant product as a yearling.

Programs which do not undergo periodic adjustments as the industry develops and changes tend to quickly lose their relevance and thereafter their effectiveness.

6.5 To support programs which are directed towards Island-bred (the owner of the mare at the time of breeding was an Island resident) or Island-foaled horses.

The primary reason for considering developmental programs in support of the horse industry is the economic spin-off that will be generated in the communities where these horses are produced. Therefore in order for the Breeders Awards to be

6.5 (cont'd)

effective, the owners of those mares at the time of breeding or foaling must be Island residents. The "Island - foaled" stipulation is included to allow Islanders to go off Island and purchase brood mares of superior quality to strengthen the genetics and quality of their brood stock. Frequently broodmares are in foal at time of purchase and this "Island-foaled" stipulation would allow breeders to benefit from that expenditure by qualifying for Breeders Awards in any developmental programs that may be initiated by the Department of Agriculture.

Two exceptions to the Island-foaled or Island-bred stipulation would occur in the Standardbred stakes programs--namely the P.E.I. Colt Stakes and the Atlantic Sires Stakes--wherein these Stakes Programs dictate their own conditions. The P.E.I. Colt Stakes are open to Maritime - foaled standardbreds and in the case of Atlantic Sires Stakes Program, the stipulation is that the nominated colts and fillies must be sired by a stallion in the Maritimes which is nominated to Atlantic Sires Stakes.

RECOMMENDATION:

The Prince Edward Island Department of Agriculture, in support of the P.E.I. Horse Industry, develop policy which is designed:

To support initiatives which will promote improved quality, not increased quantity.

To support initiatives which are equally available to all Island residents.

To support programs which have a Breeders Award component equaling at least 10% of any developmental funding.

To support programs which are results oriented and contain identified targets and specific time frames for achieving those targets.

To support programs which are directed towards Island bred or Island foaled horses.

7. DEVELOPMENTAL PROGRAMS

Based on principles outlined in Section 6, considering objectives in both the short and long term as well as a provincial and a regional context, one major initiative composed of three programs in support of the further development of the breeding sector is suggested.

It should be realized by the Minister that the Task Force did not attempt to be innovative or radical in the development of this initiative. Instead an attempt was made to build upon successful programs that are currently in place in the Maritimes and in other regions of Canada.

Whereas the Department of Agriculture does not have identified staff to deal with programs requiring administrative and/or extension staff, the Task Force recommended programs with minimal administrative or extension staff requirements.

7.1 Genetic Improvement Program:

A program is proposed for the four major breed categories consisting of both conformation and performance sectors which are divided into different classes primarily reflecting age limitations. The intention would be to identify and reward owners and breeders of superior quality animals in each section on an annual basis. Some of this program is currently in place in the horse industry of Prince Edward island.

PROVINCIAL SUPERIOR AWARDS

CONFORMATION

	STDB	**QUARTER**	**HUNTERS**	**DRAFT**	**TOTAL**
Weanling					
Yearling					
Two yr. olds				4000/breed	
Dam & produce					
Sire and Get					
Conformation Total	4,000	4,000	4,000	12,000	24,000
Breeder Awards	400	400	400	1,200	2,400
					26,400

Developmental Programs

Regulations:

a) For registered stock of the above breeds only.

b) For Island breds and/or foaled only.

c) May be for Maritime breds and/or foaled if breed associations request the regulations be changed.

d) Department support at the rate of $50/entry shown up to a maximum of $500/class.

e) Classes require minimum of six entries shown in order to qualify for any Departmental support.

f) Incentives paid to first five placings only.

g) Classes to be split if six entries of each sex exhibited.

h) Top two winners only in each class eligible for participation in the Policy #10 (PEIDA) Assistance to Livestock Exhibitors to Out of Province Exhibitions.

i) Breeders Award to total 10% of total purse amount in each category.

j) Each breed organization to be responsible for the organization, promotion and staging costs associated with the declaration of the Provincial Superior Award winners in their respective breed.

k) Department of Agriculture to be responsible for the accounting of the program following the declaration of award winners.

NOTE: The draft horse breeds on P.E.I. have not advanced to the point where a developmental program of this nature would be applicable to their breeds. They have been included in this proposal for their longer term development, but further discussion with the Draft Horse Association would be necessary to establish a short-term approach to further development of the draft breeds.

Developmental Programs

7.1 (cont'd)

One possible option could be a transportation assistance program to facilitate the importation of genetically superior animals for breeding purposes from the breeding centres in Europe or wherever superior draft horses are presently being produced. The resources allocated to the Draft breed are based on the three breeds which are most common on Prince Edward Island farms; namely, Percherons, Clydesdales and Belgians. However, those identified breeds could be changed to include any other registered breeds for which there appears to be a developing market.

PROVINCIAL SUPERIOR AWARDS

PERFORMANCE

	STDBD	QUARTER	HUNTER	DRAFT	TOTAL
Two yr. olds					
Three yr. olds				3,000/ breed	
Four yr. olds					
Performance Totals	50,000	3,000	3,000	9,000	65,000
Breeders Awards	5,000	300	300	900	6,500
					71,500

NOTE: The performance category for 2, 3 and 4 year old standardbreds is is represented by the existing P.E.I. Colt Stakes Program.

The P.E.I. Colt Stakes were the first stake races to be initiated in Canada and the Atlantic Sires Stakes were a Canadian first for sires stakes programs. Now virtually every Province in Canada and state in U.S.A. which has a substantial standardbred industry has a sires stakes program as the basis for the breeding sector. These stake programs for all breeds of horses continue to be the simplest yet most effective process to stimulate owners and breeders to improve quality in the horse industry.

7.1 (cont'd)

Island owners and breeders have done very well in these stakes. For example, in 1986 five of the top six achievers in the Rothman's Stakes program were either Island-owned or Island-bred animals. To date one half the monies paid out under this program have been to Islanders. Approximately $200,000 in purse monies and over $27,000 in breeders awards have come to Prince Edward Island residents.

Nearly 50% of the sires and a large percentage of the broodmares in Atlantic Canada are located in P.E.I. Prince Edward Island breeders and owners benefit to a much greater degree from the Atlantic Sires Stakes Program than the provincial contribution (15%) might indicate.

The P.E.I. Colt Stakes Program has not kept pace with the other existing stakes programs and has in fact shown a decline in actual purse monies paid out in 1985-86. The governmental support of $4000 to this program has remained constant for the past ten years. Therefore it seemed obvious to the Task Force that in fairness to the other provinces, a larger portion of stakes program support should come from P.E.I. This could be accomplished by increasing the support to the P.E.I. Colt Stakes to the level of $50,000 plus the Breeders Award component of 10%. (approximately 1% of the provincial parimutual handle).

The P.E.I. Colt Stakes Weekend, including the P.E.I. Select Yearling Sale and Trotfest, has become a significant attraction which benefits not only the horse industry but contributes substantially to the shoulder season tourism activity on P.E.I. in September of each year. By promoting this Stakes Program which is exclusively staged on Prince Edward Island, the Island economy in general will benefit. In addition, Island tracks then could remove themselves from the "bidding wars" for staging major events in other stakes programs.

It should also be made very clear that currently the industry contributes 90% of the dollars in the P.E.I. Stakes Program. Any increase in the Department of Agriculture support for future development of the breeding sector would stimulate a related increase in support from the industry itself. Admittedly this is a significant increase that is being recommended by the Task Force, but it is envisioned as being the most advantageous method of stimulating further development in the breeding sector.

It must be realized that historically Island-owned horses and/or Island-bred horses have won approximately 70% of the money in the last five years of operation.

7.2 Superior Awards - Island Breds Non-Stakes Program
(Standardbred Only)

The program initiative described in 7.1 is designed to identify and recognize superior animals and performances on a **ONE TIME BASIS ANNUALLY**. Although many will be nominated, few will receive the top awards and that is the manner in which the program was designed to function. The initiative described in 7.3 is once again designed to reward approximately the top 10% to 15% of those animals nominated.

The Atlantic Sires initiatives involve significantly more dollars and broader regulations in that more horses will have more opportunities to compete for the awards as a result of the program being staged several times in several locations in the Atlantic region. Nevertheless a relatively small percentage (again 10% to 15%) of the entries nominated will harvest the majority of the awards. This could be compared to the Atlantic Lottery system in which a small percentage of participants receive the bulk of the rewards.

The initiative proposed as Superior Awards for Island Breds in the non-stakes category could be compared with the minor winners in the lottery system.

Considering that the majority of the proposed initiative relates to the stakes philosophy, and that annually there are a number of high quality horses which for one or more of a number of good reasons do not have the opportunity to benefit from the stakes program, a modification to an Alberta program is developed to address this deficiency.

The owners of Island-bred or Island-foaled standardbred horses of the age four year old and under competing in a regular race card on Prince Edward Island parimutual tracks in any non-stakes race would, upon being declared the official race winner, be eligible for an award of $150. The breeder of the same animal would be eligible for a $50 award. These awards would not be construed as part of the purse structure of the tracks. The program would be administered by the Department of Agriculture of Prince Edward Island.

The Task Force concluded that a program of this nature would be a significant incentive to Island breeders and would make the purchase of Island-bred animals much more attractive than presently is the case. There is a significant difference between the Stakes contenders and the colts and fillies that are performing in the overnight races. However, many of those in the latter category do develop into competitive race horses and often are marketed for respectable prices to off-Island interests.

7.2 (cont'd)

It was also felt that a program of this nature would improve the appeal of harness racing to many fans by providing more entries of "up and coming" young horses to replace the over abundance of poorer quality horses that compete in the lower claiming classes.

Since the award is given to the official winner only, the program will have a very positive effect on the competitive aspects of those races and the horses which qualify for inclusion under this program.

In summary, the regulations to a program of this nature are listed.

1. To qualify, the race must be contested on a regular race card at a parimutual track on P.E.I.
2. The winning entry must be Island-bred or Island-foaled.
3. All races qualify for inclusion except stake races.
4. The race winner must be 2, 3 or 4 years old.
5. The owner of the winning horse shall receive an award of $150.00 for each win that qualifies.
6. The breeder of the winning horse shall receive an award of $50.00 for each win that qualifies.
7. The awards are not to be construed in any way as part of the purse structure of any race.
8. This awards program would be administered by the personnel of the P.E.I. Department of Agriculture.

Some presentations to the Task Force made representation for purse support for all regular race cards. The Task Force could not rationalize that concept in a manner that was compatible with our policy objectives in support of the Island breeding industry and the promotion of a quality improvement.

An analysis of past race programs indicated that as this program becomes established, approximately $150,000 will be required annually to support this program.

Developmental Programs

7.3 Regional Stakes Program
(Standardbred Breed only at this time)

ATLANTIC SIRE STAKES: At the 56th session in March, 1984 the Council of Maritime Premiers assisted the Atlantic Standardbred Breeders Association by providing that association with medium-term funding stability. That stability was ensured by virtue of a five-year agreement that the provinces would contribute one half of 1% of the parimutual wager of the previous year in each respective province to the Atlantic Standardbred Breeders Association. This support was subject to the stipulation that the contributed funds were to be used exclusively for the continuation of the Atlantic Sires Stakes Program. The P.E.I. Government was the first to approve one half of 1% of the total parimutual wager as its contribution to the stakes program.

The success of the Atlantic Sires Stakes program is becoming more obvious with each passing year as the industry sees new records established in each age and gait classification on a regular basis. As well, successful stake performers are realizing very substantial sale prices when sold to out-of-province interests at the completion of their stakes eligibility. The funding stability provided by the Council of Maritime Premiers has be a major factor in the success of the Atlantic Sires Stakes program to date.

1986 saw the Sackville Downs racetrack cease operations. As the Downs was the major track in the Province of Nova Scotia, its closure has produced a substantial decline in the parimutual handle for the province of Nova Scotia in 1986. Obviously this will have a significant effect on the resulting .5% of the parimutual handle which was used to support the Atlantic Sires Stakes program.

To offset the negative influence this reduction will have on the future stakes program and the industry as a whole in this region, the Task Force suggests that this province increase its yearly contribution to the Atlantic Sires Stakes Program to an equivalent of 1% of the parimutual handle in the preceding year and that this province attempt to obtain the same commitment from both Nova Scotia and New Brunswick governments through the Council of Maritime Premiers.

The total dollar amount of this complete developmental initiative is $303,900 annually, based on 1986 data.

7.1 - $ 97,900.00
7.2 - $150,000.00
7.3 - $ 56,000.00

7.3 (cont'd)

RECOMMENDATION: The P.E.I. Department of Agriculture implement the developmental initiative in support of the breeding sector of the Island Horse Industry as outlined in Section 7.

8. THE ATLANTIC LOTTERY AND THE HORSE INDUSTRY

Although it is impossible to determine with a great degree of accuracy the effect which the government-operated lotteries have had on the parimutual wager at the racetracks, it would be incorrect for anyone to assume that there is no effect at all.

Lotteries, introduced to Prince Edward Island in 1976, are a high profit-generating system which has a marked effect on the spending patterns of the people. One of these effects is to reduce the money available for wagering at horse races.

During the five-year period, 1970 - 1975, before the introduction of the Atlantic Lottery Corporation, the parimutual wager at P.E.I. tracks increased 149% from $1,900,500 to $4,728,094.

During the ten-year period, 1975 - 1985, in which tracks were competing with the lotteries, the total wager has increased by only 10.8% from $5,064,750 to $5,712,894. On the other hand, the sales of lottery tickets on P.E.I. in 1976 was $776,000 and has increased to $8,183,000 by 1985, an increase of 928%.

Wagering income in the ten-year period 1976-1985 has been noticeably affected by the total lottery sales.

Based on these results, the Task Force concluded that a small percentage of the proceeds from the Province's share of the return from the Lotteries should be set aside to support the initiative outlined in our report.

RECOMMENDATION - The Government of Prince Edward Island allocate an amount of money equal to 3% of the gross dollars expended by Islanders on Atlantic Loto purchases on a yearly basis. This amount to be derived from the profits of the Atlantic Loto and to be used exclusively to fund the initiatives for further development of the breeding sector of the horse industry on P.E.I.

9. THE ROLE OF THE RACING COMMISSION

9.1 The Horse Racing Industry depends upon the 'credibility of the bet' as a cornerstone of public acceptance. In this respect the industry is similar to other activities where gambling is a significant part of the entertainment provided. Public trust and confidence is therefore cultivated. This can only be achieved where a visible, strong, independent body exercises a consistent regulatory function.

9.2 We give the following recommendations concerning the Prince Edward Island Horse Racing and Sports Commission. We should point out, however, that we were very impressed with the knowledge, concern and interest of the present members of the Commission, who were not only helpful but quite frank in their submissions to us.

9.3. Composition of the Commission

The Commission should continue with three members appointed by government. It would be desirable to seek input from the Industry, but the members must be viewed by the public as being free not only from government or political influence, but from undue influence from any one segment of the industry.

9.4. Staff and Budget

Virtually every submission from the Island racing community, including the Commission itself, was concerned about the lack of full time staff. We share this concern and recommend as follows.

RECOMMENDATION 9.4.1. The existing part-time position be expanded to provide for a full-time Executive Manager. There is no similar body in any jurisdiction that acts without one.

RECOMMENDATION 9.4.2 Office facilities be arranged at the Farm Centre in Charlottetown, if possible, and discussions be undertaken to arrange for secretarial and clerical assistance, as would be required.

RECOMMENDATION 9.4.3 The Commission budget be reviewed and increased according to the needs above.

At the present time, the Government rebates all but 1 1/2% of the parimutual tax to the tracks. A portion of that amount ($27,000) is provided to the Commission to support its activities. It is our opinion that a budget of approximately $85,000 - $90,000 would be necessary to allow the Commission to provide adequate staff and facilities and to engage in the necessary regulatory, educational and supervisory activities which are essential to its mandate.

The Role of the Racing Commission

RECOMMENDATION 9.4.4. We recommend that Government utilize the full 1 1/2% of the parimutual tax (approximately $86,000 in 1986) not rebated to the tracks to provide the Commission with its operating budget.

9.5 Legislation, Rules and Regulations

Several of the submissions expressed concern that the existing legislation and the subsequent regulations were confusing and led to uncertainty. The Task Force agrees and recommends as follows:

RECOMMENDATION 9.5.1. (a) Immediate review of the legislation by competent counsel with particular reference to:

1. The jurisdiction of the Commission to make findings and reach decisions which promote the development of the industry as a whole.

2. The powers of the Commission, notably the power to make and enforce regulations.

3. The Right of Appeal for Commission decisions, notably the protection of Commission rulings from frivolous appeals often leading to protracted proceedings, which in turn lead to confusion and uncertainty for both the public and for the industry.

RECOMMENDATION 9.5.1 (b) Immediate review by the Commission of all rules and regulations governing race meets (U.S.T.A., Commission, stakes events and track rules) with the aim of providing one rule book for P.E.I.

RECOMMENDATION 9.5.1 (c) In order to consolidate all jurisdictional aspects of the industry, we recommend that the jurisdiction of the Commission be transferred to the Minister of Agriculture. This, we believe, is consistent with the regulatory functions of the Department of Agriculture which also deals with other livestock breeds.

RECOMMENDATION 9.5.1 (d) We recommend that all race officials be licensed, assigned and paid by the Commission, with a levy to each track based on the qualifications of officials required. We are aware that continuing consultation amongst the tracks, Commission and officials will be necessary in order to best protect the mutual interests of the track, horsemen and the public. But we are convinced that the ultimate authority must rest with a strong Commission.

The Role of the Racing Commission

9.6 Maritime Co-operation

RECOMMENDATION 9.5.2 We recommend that the Commission in consultation with appropriate bodies in Nova Scotia and New Brunswick should:

A. Develop and support a series of educational seminars for officials, including encouragement and support for officials to attend national seminars.

B. On an experimental basis, during peak race times, arrange a regional rotation of key officials.

9.7 Maritime Racing Commission/Commissioner

Realistically, as noted elsewhere in our report, the Maritimes must be considered one regional unit if the industry is to grow and prosper.

RECOMMENDATION 9.5.3 We recommend that the Government of P.E.I. request the Council of Maritime Premiers to investigate the feasibility and desirability of establishing a Maritime Racing Commission and/or Commissioner.

While there may be significant jurisdictional barriers to overcome in such a step, there could be enormous benefits from a uniform and coordinated system of rules, regulations, licenses, race dates and related matters.

9.8 Promotional Role of the Commission

The complete mandate of the Commission must necessarily include the promotional support aspects of the Industry. We are of the opinion that for the immediate future there is much to be done in the regulatory aspects of the Commission's mandate, but we would hope that with expanded support recommended for the Commission, significant promotional initiatives could be developed.

10 RACE DATES - THE ISSUES

There are three distinct, yet closely connected issues related to the scheduling of racing. Several of the submissions dealt with one or all. They are: (a) the present restriction of Sunday racing; (b) the total number of race dates; (c) the allocation of race dates to Charlottetown and Summerside Tracks.

10.1 Sunday Racing

The submissions to the Task Force which dealt with this issue, with the exception of one, supported the availability of Sunday as a potential race date. In a nutshell, the argument is that the public already accepts Sunday as a day for competitive sporting events, and lotteries, bingos, and similar gambling activities are already permitted. Freedom of choice should be the prevailing policy unless there are strong reasons to restrict that choice; it is important to observe that Sunday racing is now widely accepted in other Canadian Provinces.

It is clear to the Task Force that the availability of Sunday racing will provide important flexibility to the industry, will provide some alternative to the present scheduling conflict between Summerside and Charlottetown tracks, and when scheduled with discretion, should be an attractive and widely-accepted entertainment event.

RECOMMENDATION 10.1 We would recommend that immediate steps be taken to remove the legislative restrictions to Sunday racing.

10.2 Number and Allocation of Race Dates to the Tracks

Several briefs submitted to the Task Force expressed the view that too many race dates were being scheduled in the province. Some argued that the small size of the Island population can support only a limited amount of racing; others argue that extended racing leads to a lessening of the quality of the product, notably in the winter racing season. Task Force members have heard these same comments from members of the general racing community, including race fans.

This view, however, is not unanimous. Officials of the Charlottetown track, for instance, while admitting that there may be some undesirable concentration of race dates at some times during the year, argue that the province can adequately support the existing number of dates, possibly even a modest increase. They argue that patronage of the winter racing program has shown gradual but steady growth, notwithstanding serious scheduling problems and they point to the significant number of Island race horses being raced outside of the Province. They contend that owners and trainers of these horses would prefer to race at home if satisfactory race dates were available. In many respects, representatives of the P.E.I. Horse Owners Association support this position. Charlottetown track officials are vigorous in their contention that their track would be seriously harmed if fewer race dates were available to them.

Linked to the number of dates is the continuing controversy surrounding the allocation of those dates to the respective tracks--and allegations of favoritism, unfair competition, political interference abound. Yet there does not appear to be an easy solution and certainly not one which would be readily accepted by all of the parties.

As the Task Force views the overall issue, we identify three policy options which could be considered by government. We comment on each of these and recommend one. In all cases, the Task Force presumes that the Commission would be the instrument of government policies.

OPTION 1. An unregulated or "hands off" policy towards Race Dates. It has been suggested that the tracks should be free to choose their own dates, that competitive factors should determine the issue without the intervention of the Commission.

In this scenario, the respective tracks would put forward the best product available at those times which they felt to be most acceptable to the racing public. The public would either accept or reject the product, attendance and betting handle would determine the issue, and the tracks would adjust accordingly.

While there is something fundamentally attractive about the simplicity of this scenario, it is one which the Task Force does not support. We are quite convinced that Summerside race track, significantly smaller, with lesser facilities and fewer resources, would perish. At the same time, there is a widely-held public sentiment that where public gambling is involved, government should have not only a direct supervisory role, but also have control over the frequency and location of such events.

OPTION 2. Significant Government Intervention. A second option would be for government to mandate the Commission to intervene directly not only in determining the number of dates, but in the specific scheduling. In this option, the Commission would determine, after consultation with the tracks and other participants in the industry, the periods of time in which each track would operate.

Option 2 (cont'd)

This option has the advantage of allowing the Commission to assess the competitive state of the industry and to provide, for instance, certain periods when only one track would operate.

In this case, the Commission might decide that Summerside should be given a monopoly on winter racing from November through March and significantly fewer dates in the spring and fall. In turn, while restricting Charlottetown to eight months, the Commission could allow fairly concentrated programs for the track during that period.

The main advantage to this option is that the Summerside track would likely be given an opportunity to develop a particular package for Island race fans, free from competition from Charlottetown. Given this assurance, coupled with stronger management and promotion, it might be argued that Summerside could become a profitable venture and provide an attractive alternative to Island horse owners during a designated period of the year.

While there may be some merit in this option, the Task Force does not support it. Over the past several years, the Commission has allowed both tracks to function as year-round tracks. Charlottetown, for instance, has made major investments in plant and equipment and has made promotional efforts to develop a year-round clientele. It would be manifestly unfair and unrealistic for Government, through the Commission, to exercise such a significant interventionary role in the business management decisions of either track.

OPTION 3. A Modified Intervention by Government. This third option, favored by the Task Force, is in essence the role which is now played by the Commission. While endorsing its present role, we would make the following recommendations:

a) The Commission give serious consideration to the number of race dates that are available in any concentrated period of time. The Commission should satisfy itself, for instance, that the quality of product is not jeopardized by excessive racing in July. The Commission should be equally concerned that there is a sufficient number of horses available to provide reasonably full classes before authorizing Charlottetown to race 14 cards in eight days during Old Home Week.

b) The Commission should provide Charlottetown with sufficient race dates to offer a reasonable winter racing program

Option 3 (cont'd)

including weekend dates. If Sunday racing is permitted, as we have strongly recommended, Charlottetown may choose to use that day as the focus of its winter program.

The Task Force recognizes that Summerside may be adversely affected by a full winter program at Charlottetown and may be faced with some difficult choices, including a close-down during that period. It seems, however, that both tracks must assess the demand by the public for their product and adjust their strategy to that end.

It may be necessary to provide some transitional assistance if one of the tracks is seriously affected, but in the long run, the quality of the product must determine the issue.

c) The Commission should continue to protect a limited number of traditional special events for each track. The Summerside Lobster Carnival and Old Home Week are probably the only defensible examples. Once again, Sunday racing should provide some alternative to the respective tracks.

It seems unrealistic to expect either track to close down completely for up to ten days in the middle of the most lucrative period of the summer racing calendar. The Commission should, however, strictly enforce a policy of not allowing each track to stage a card on the same day.

d) The Commission should carefully monitor the total number of race dates. It seems obvious to the Task Force that any increase at all will lead to a reduction in quality of product. Rather, the Commission should encourage a gradual reduction, with the dates more evenly spread throughout the year.

In the final analysis, however, we feel that it is the tracks who offer the product who will best be able to determine the demand for it.

RECOMMENDATION 10.2 The Task Force recommends Option 3 be considered by the Commission in the allocation of Race Dates on Prince Edward Island.

11. PARIMUTUAL BETTING

Several submissions dealt with race dates, parimutual operations and the type of betting permitted. Yet with the exception of the controversy over the assignment of race dates to Summerside and Charlottetown, there appears to be a common thread woven consistently through most of the submissions. As a result, the Task Force makes the following comments and recommendations.

RECOMMENDATION 11.1 Triactor betting should be phased down so that no more than three triactors per card would be permitted during the 1988 racing season.

Virtually all evidence points to a gradual increase in the bet over the long term, a lessening of dishonest or suspicious racing and a significant increase in the turnover or "churn" of the wager when various combination bets, notably triactors, are replaced in the program by win, place and show betting and by the more traditional features such as daily doubles, quinellas and exactors.

We are aware of the concern of the tracks who see a very large percentage of their current bet in triactors and possibly see this feature as somewhat of a counter to lotteries. We are convinced, however, that if the tracks in conjunction with the Commission and Agriculture Canada, cooperate to phase down this type of betting, the bettor will respond positively and will have greater confidence in the system and obtain a better return on the betting dollar.

Related to the type of wager is the amount withheld from each race pool in the form of taxes and track share, which is in turn distributed to purses and expenses. The total "takeout" of 33 1/3% on triactor betting at both Island tracks is viewed by many as prohibitive to the encouragement of new bettors. In fact, the total "takeout" on all forms of race bets on the Island is the highest in Canada.

It seems difficult to imagine significant growth in the wager if, as in the words of one submission, "there are no winners anymore at the tracks". Possibly this is an overstatement, but it is indicative of the concern of many observers of the industry.

RECOMMENDATION 11.2 We recommend that the Commission, in conjunction with the tracks, initiate a thorough study of the classification system, with the betting public as much in focus as the horse owner. The resulting system should provide for:

a) Conditions to be written to encourage young horses;

b) Aged horses to be moved into realistic claiming races;

Parimutual Betting

c) Maximum incentive to owners and drivers to give full and consistent effort;

d) Conditions which are easily understood and are appealing to the racing public.

12. PROJECTS IN SUPPORT OF THE TOTAL HORSE INDUSTRY

12.1 Livestock Exhibition Facility

Several presenting groups identified the concern that existing facilities available to organizations which are attempting to promote and market their livestock products through exhibitions, competitions and sales are totally inadequate and in fact virtually non-existent on P.E.I.

The only facility which has the capacity in which to stage these promotional activities is the Kennedy Coliseum and livestock stabling area at the Charlottetown Driving Park.

This facility is in an advanced state of disrepair, especially the stabling area, and is presently unsafe for the overnight stabling of livestock. This fact has detracted from the appeal of the P.E.I. Select Yearling Sale for standardbreds to such an extent that some Island and Maritime Breeders are no longer supporting that sale.

Other breed organizations identified similar concerns and drew attention to the facilities available at such places as the Moncton Agrena Complex, the N.B. Provincial Exhibition facilities in Fredericton, The N.S. Provincial Exhibition facilities at Truro and the exceptional facilities in Halifax at the Atlantic Winter Fair Exhibition Park on Peggy's Cove Road, in Nova Scotia.

The Task Force was informed that negotiations are presently underway on several fronts by interested parties in an effort to secure a new livestock exhibition facility on Prince Edward Island.

RECOMMENDATION: That the Government of Prince Edward Island through the Department of Agriculture assist those interested parties in achieving their objective through the construction of an appropriate complex for livestock exhibitions and sales on Prince Edward Island.

Projects in Support of the Total Horse Industry

12.2 **Horse Production and Marketing Specialist**

Several of the organizations which presented briefs at the Task Force Hearings perceived a deficiency in the staff of the Department of Agriculture due to the fact that there is no one identified to work with horse industry representatives in the areas of production, promotion and marketing of their animals.

This is in contrast to other livestock commodities which enjoy staff support even though their farm cash receipts were significantly less than the horse industry. There was also considered to be a lack of structured programs in support of the horse industry when compared with other forms of livestock.

Most organizations realized a definite need for educational programs in many areas that relate specifically to the horse and the industry in general. Additionally, the feeling was expressed in a number of briefs that a much closer working relationship should be established between the horse and tourism industries in the utilization of existing programs for promotion.

The potential exists for the horse field worker to establish a working relationship with the executive secretary of the Racing Commission for the common benefit of all parties concerned.

RECOMMENDATION: The Minister of Agriculture provide the horse industry with a field worker to assist the industry in the areas of production, promotion and marketing.

12.3 **The Atlantic Veterinary College and The Horse Industry**

The Task Force concluded that the potential of the Veterinary College to impact upon the development of the horse industry in P.E.I. is virtually limitless.

Opportunities for joint cooperation between the horse industry, the Department of Agriculture of P.E.I. and the Veterinary College should be pursued by all parties and cooperative efforts undertaken in the areas of education, research and service to the horse industry.

RECOMMENDATION: The P.E.I. Department of Agriculture promote cooperative efforts involving the Atlantic Veterinary College, the P.E.I. Department of Agriculture and the Horse Industry in an effort to realize the maximum benefits from this valuable resource centre.

Projects in Support of the Total Horse Industry

12.4 Prince Edward Island Racetrack Assistance Program

Throughout this report, the Task Force has avoided making recommendations to government that involve either a direct subsidy or capital grant as the major ingredient of a developmental program.

The Task Force maintains that conviction, but does realize that a variation of a program currently in place in Ontario could be of significant assistance to any of the race tracks, (parimutual or matinee) in Prince Edward Island.

The overall objective of this P.E.I. Race Track Assistance Program would be to create a more positive image for the harness racing industry. Promotion is of vital importance in any industry and the harness racing sector must increase public awareness of the many attractive facets and sporting thrills achieved by attending modern-day harness racing events.

The life styles of the sporting public are changing and the industry must provide a comfortable and attractive facility if it is to keep pace with society's expectations. The program outlined would have a marketing and promotion component designed to attract new fans plus a Capital Improvement component designed to direct investment, on a cost-shared basis, into projects that would enhance fan and patron comfort.

The specific objectives for this program over a four-year period would be to:

1. Increase regular attendance at all race tracks by improving and modernizing facilities for existing patrons and attract new patrons to the horse industry.

2. Increase the annual amount wagered at parimutual tracks on P.E.I.

3. Improve the quality of racing.

4. Encourage new owners to become involved in the industry.

5. Stimulate an increase in full and part-time employment by providing additional job opportunities in the areas of the promotion, marketing and construction industries.

12.4 (cont'd)

Each track would be required to carry out an extensive promotional package before becoming eligible for any developmental assistance under this program. The guidelines to this program would be as follows:

a. The participating track would apply to the field worker in the Department of Agriculture for approval of each program application. The application would contain a detailed proposal and specific cost analysis for each project.

b. Work on any project would not commence prior to receiving written approval from the appropriate governmental personnel.

c. Approved projects would be cost-shared on an equal basis between the program and the participating track.

d. All costs associated with the project would be paid by the participating racetrack before any cost-sharing dollars became available through the Racetrack Assistance Program.

RECOMMENDATION: The P.E.I. Race Track Assistance Program be developed and made available to all tracks on P.E.I., in order to assist in modernizing facilities for existing patrons and to attract new patrons to the horse indstry.

12.5 **Prince Edward Island Trail Network**

The presentation received from the organization representing recreational riding enthusiants identified the need for the provision of long-term accessibility to an Island-wide trail network which could be used for recreational trail riding.

Although there are presently many public roads on P.E.I., most of those roadways close to population centres are either too dangerous to utilize due to extensive use by motor vehicles or are in residential areas where horses are not generally welcomed. The Task Force recognized that an Island-wide Trail Network could be utilized by hikers, joggers, bikers, cross-country skiers and in fact many recreational groups in addition to horse enthusiasts.

The possibilities for an Island-wide network exists in many of the abandoned railway lines on Prince Edward Island.

12.5 (cont'd)

Because the rail lines are at the time of abandonment the property of the Canadian National Railways, the government of Prince Edward Island could assist interested parties in gaining access to these potential nature trails.

Another possibility for a trail network exists for a cooperative effort of interested parties in assisting the Island Heritage Roads Committee of the P.E.I. Nature Trust in their pursuit to have government designate certain roads in the province as "heritage roads" thereby preventing their destruction or assimilation into the paved network of commercial roads for increased usage by automobiles.

RECOMMENDATION: The Prince Edward Island Government provide assistance, where possible, to the Island Horse Council in their efforts to establish an Island-Wide Trail Network for use by all recreational interest groups.

12.6 The Income Tax Act of Canada

The Task Force received several submissions which considered the regulations under the Income Tax Act of Canada to be one of the major restrictions to industry developments. The current maximum allowable tax credit of $5000 for part-time farmers has not been adjusted in recent years to reflect the increased in costs associated with horse industry operations.

Although obviously not a provincial matter, the Task Force believes the Prince Edward Island government in concert with the other Maritime premiers should make a united approach to Ottawa requesting Federal Tax Reform to the Income Tax Act of Canada.

RECOMMENDATION: The Prince Edward Island Department of Agriculture assist the horse industry by recommending necessary legislative changes to the Income Tax Act of Canada.

COMMENT

The members of the Task Force have appreciated the opportunity to study the horse industry on Prince Edward Island and to make recommendations to the Minister of Agriculture concerning methods of improving all segments of the Industry.

As stated previously in this report the bulk of the information used in its compilation was derived from the presentations made to the Task Force by interested groups.

Many of the changes and initiatives recommended will take some time to plan and implement. We realize that circumstances change in this industry and that the recommendations made at this time may not be entirely appropriate in the future years. We suggest that progress be monitored and that recommendations be given serious consideration, as required.

We thank the Minister for the opportunity to work on this project and respectfully submit this report.

Joe Revell

Wendell Shaw

Kenneth Macdonald

Wendell Grasse
Wendell Grasse

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APPENDIX A

ATLANTIC STANDARDBRED BREEDERS ASSOCIATION

The Atlantic Standardbred Breeders Association

SPONSORING
THE ATLANTIC SIRE STAKES
AND
STANDARDBRED SALE OF THE EAST

Submission to Ministerial Task Force
Prince Edward Island Horse Industry 25 Nov 1986

The officers and members of the Atlantic Standardbred Breeders Association wish to thank the Government of Prince Edward Island for the opportunity of voicing our views .

During the past twenty years Governments and staff of this province have come and gone. The one thing that has remained constant has been the unfailing support and leadership shown by those people toward our industry.

As we are a Maritime based Association we will speak on a Maritime rather than in a strick Provincial context. This is not a difficult perspective in that, in our view, we are involved in a fluid community of horsemen all involved and interacting with one another.

We also speak primarily from a breeders point of view recognizing the fact that the ultimate worth of a product is its perceived value when put to its intended use.It follows therefore that the value of a colt is closely related to its earning power on the race track. It is our considered opinion that the viability of the whole industry rests on the development of young horses.

The Atlantic Sire Stake program has been in operation for some twenty years. During this period tremendous strides have been made in the quality of our colts and fillys.

Each Province or State in North America that has a successful breeding industry has as its cornerstone a Sire Stakes program.funded in part by a rebate of a portion of the paramutual handle. This usually ranges from one half of one percent to one percent.

The Government of Prince Edward Island was the first to agree to return one half of one percent of their handle to our program. With the assisstance of the Council of Maritime Primiers we were able to obtain a committment for this level of funding from each of the Maritime provinces commencing in 1983. This committment is for a five year period. Contributions in 1986 were - Nova Scotia $100,015.00, New Brunswick $ 53,261.00 and Prioce Edward Island $28,564.00,

We would suggest that the time has now come for the three Governments to return one percent of their handle to the Sire Stake program.This positive move would increase the value of our yearlings giving the industry a much needed lift.

Although our organization is not involved with claiming races it is a fact of life that the value of the mature horse influences the value of the yearling. We would offer the following suggestions that your jurisduction could promote-

1. That Maritime breds be given an allowance, say 20 or 25 percent, structured in the same manner as the present age and sex allowances.

The Atlantic Standardbred Breeders Association

SPONSORING
THE ATLANTIC SIRE STAKES
AND
STANDARDBRED SALE OF THE EAST

2. That racetrack management be discouraged from promoting cheap claimers. The claiming price, for the most part, is a tool of classification rather than a method of barter. Claiming prices scaled from, say $2000.00, upward would serve the same purpose of race classification and would project a much more positive image than prices scaled from $750.00 upwards. It goes without saying that a horse worth only two months training expences is no asset to the industry.

In closing we would like to express our thanks to the secretary and members of the task force for devoting their time and efforts to our cause. We trust that many positive results will be realized.

The Atlantic Standardbred Breeders Association.

Officers and Directors.

John Williamson President   Norman Reeves Vice President   Victor Lunn Vice Pres.
Bertin Cormier Vice Pres.   Orville Willis   Donna R Neville Secty-T
Reginald Weatherby   Phillip Kelly   David Gray

Manager
J S Ferguson.

APPENDIX B

ISLAND QUARTER HORSE ASSOCIATION

BRIEF TO

HORSE INDUSTRY TASK FORCE

PRESENTED BY

ISLAND QUARTER HORSE ASSOCIATION

NOVEMBER, 1986 CHARLOTTETOWN, P.E.I.

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INTRODUCTION

The horse industry has a significant impact on the economy of Prince Edward Island. In 1984, Equine Data Systems reported that the horse industry generated in excess of 86 million dollars of revenue for the Province.

In recent years, the Quarter Horse industry in PEI has grown until this breed represents the second largest breed registery on the Island. The first registered quarter horse was purchased and brought to the Province in 1967 and there has been continuous growth in this breed since that time.

The Island Quarter Horse Association (IQHA) congratulates the Government of PEI in its efforts to assist and promote the horse industry in the Province and for its foresight in the appointment of this Task Force to examine methods of further enhancing this industry on the Island. We would also thank the Task Force for the opportunity to present the point of view of our Association and to make recommendations on the future development of the Quarter Horse industry.

BACKGROUND

Before addressing our specific concerns with regard to the Quarter Horse industry, we believe it is necessary to provide a brief background on our Association.

The Island Quarter Horse Association was founded by a number of interested Quarter Horse people and owners in the spring of 1978.

The objectives of the organization were then, as they basically are today:

(a) to promote all aspects of the Quarter Horse on PEI;

(b) the development of western riding and training;

(c) to establish, if necessary, a liaison with any authority; regional, national or international; whose objectives are the promotion of the Quarter Horse; and

(d) to provide a census of the Quarter Horse on PEI.

Our full constitution is included in Appendix A of this document.

The formation of this Association enabled us to affiliate with similar organizations at the Maritime, national and international level for the purpose obtaining current information on breeding, showing and organizational development.

The first local efforts of the Association were directed toward the organization of recognized Quarter Horse shows; the first of which were held at the Charlottetown Exhibition Grounds and Coliseum Complex.

As these shows became established, the emphasis of the Association shifted to the promotion of the breeding and raising of Quarter Horses.

In 1980, with assistance from the Provincial Department of Agriculture, breeders stakes were established. Shortly after these were changed to the Quarter Horse Futurity class again with support from the Department of Agriculture.

Since its inception, the Association has sponsored in excess of twelve shows of Futurity classes and participation of Island exhibitors has increased yearly. In fact, participation by Island owned horses has increased to the extent that the Association now limits Futurity classes to Island owned or bred horses.

THE FUTURE OF THE QUARTER HORSE INDUSTRY ON PRINCE EDWARD ISLAND

It is the belief of the IQHA that the growth of the horse industry can accrue many benefits to the Island economy. Considering the fact that the Provincial Department of Agriculture has concluded that there is a necessity for this study leads us to believe that this has also been recognized by Government.

The IQHA has identified four objectives that we believe will enhance the "Island horse industry" in the future. In the interests of clarity, we will present each objective under three headings: statement of the objective, restriction on the realization of the objective and solutions for overcoming those restrictions. These objectives, in order of priority, are as follows:

OBJECTIVE:

The IQHA recommends that the Government of PEI and the Provincial Department of Agriculture recognize the breeding, raising, training and showing of horses as an **"industry"** that contributes to the economy of the Province in the same way as the beef, dairy, swine and sheep industries.

RESTRICTION:

Present legislation does not recognize the "horse industry" in the same way as other livestock industries thus preventing owners and breeders of horses from having access to the advantages of claims for depreciation on buildings, machinery, trailers, vehicles, etc; eligibility for small business grant programs; subsidized business loans; rebates on fuel and a sales tax number.

SOLUTION:

Recognition of horses as an industry.

OBJECTIVE:

The IQHA recommends that the Provincial Department of Agriculture create the position of **Horse Extension Person.** The individual in the position would have duties similar to other livestock extension persons such as coordination of activities, provision of educational services, liaison between the Department and the horse industry, facilitating the 4H horse and pony program and coordination of facilities.

RESTRICTION:

There has been no recognition on the part of the Provincial Department of Agriculture of the need for a position with sole responsibility for the horse industry.

SOLUTION:

The creation of a position of Horse Extension Person within the Provincial Department of Agriculture and the provision of an adequate budget.

OBJECTIVE:

The IQHA recommends the construction of a **Show Complex** for the presentation of breeding stock. Such a facility should have adequate space for public viewing and ample stabling.

It is further recommended that this complex be located centrally within the Province and be accessable for providing the educational aspects of horses such as clinics, demonstrations, shows, sales and seminars.

RESTRICTION:

The horse industry does not have access to an adequate indoor facility.

Existing facilities have an unsuitable lay-out, inadequate stabling, no exercise area, poor parking areas for trailers and campers, poor sound and lighting systems, uncomfortable spectator areas and inadequate security provisions.

SOLUTION:

The construction of a Show Complex. Such a complex to provide equal access for a variety of horse related activities at reasonable rates.

OBJECTIVE:

The IQHA recommends the establishment of a Government sponsored **"Breeding Incentive Program"**. The objective of such a program to be the improvement of the quality of Quarter Horses on PEI through support for importing and lease/purchase of quality breeding stock.

RESTRICTION:

Presently, such a program does not exist.

SOLUTION:

The present Futurity program is working well and Government assistance with the program is greatly appreciated.

The IQHA recommends that the existing program be enhanced through the establishment of an incentive program designed to improve our breeding stock.

The objectives of this program could be accomplished by:

(a) establishing a leasing support program;
(b) a stallion bonus program;
(c) a mare and/or stallion purchase program; and
(d) the establishment of a "Breeders Award" program.

GENERAL RECOMMENDATIONS

Although the Quarter Horse industry has grown in PEI, the continued growth of the industry will depend greatly on the involvement of Government. The limited resources of the individuals involved with Quarter Horses are being stretched to their limit and the development of programs and facilities to foster growth are simply beyond the reach of the Association and its members.

In our opening statement we indicated that the horse industry presently has a significant impact on the economy of the Island. We believe that increased involvement by Government in the form of service to this industry will reap dividends in many areas with potential for increased tourism through participation in the various horse related activities, growth in the sale of equipment, an increased demand for hay and feed, the purchase of additional vehicles and machinery, fuel sales, an increase in the need for veterinary services and increased sales of assessory items. We ask that the Task Force seriously consider these benefits when it prepares its recommendations for Government.

In the implementation of the objectives identified in our presentation we would also request that Government avail itself of the experience and expertise within the IQHA. We would apppreciate the opportunity for input into the job description and terms of reference for the position of Horse Extension Person and into the design, lay-out and location of a Show Complex.

The Quarter Horse is the largest breed registery in the world; more than all other breed registeries together. However, if this breed is to grow and flourish in Prince Edward Island assistance is required from Government and, in the near future.

We thank you for the opportunity to present our views and look forward to positive action in the upcoming months.

APPENDIX A

1986

CONSTITUTION OF THE

ISLAND QUARTER HORSE ASSOCIATION

Article 1 **Name:**

The name of the organization shall be: Island Quarter Horse Association and shall at all times be operated as a non-profit organization.

Article 2 **Objectives:**

A. The objectives of the I.Q.H.A. shall be to promote all aspects of the Quarter Horse on P.E.I.

B. To establish, if necessary, a liaison with any authority, regional, national or international whose objectives are the promotion of the Quarter Horse; and

C. To provide a census of the Quarter Horse on P.E.I.

Article 3 **Membership:**

Any owner or prospective owner of Quarter Horses on P.E.I. may become a member upon payment of a membership fee of two dollars ($2.00) per year.

Article 4 **Organization:**

The executive shall consist of a President, Vice-President, Secretary and Treasurer. All executive members shall be Quarter Horse owners.

Article 5 **Voting:**

All voting shall be by simple majority of all members present. If a tie occurs, after discussion and a second vote, the President shall hold the deciding vote.

Article 6 **Meetings:**

Meetings shall be held whenever members deem it necessary, with an annual meeting to be held in November of each year.

Article 7 **Constitution:**

Amendments to the constitution of the I.Q.H.A. can be made at any meeting provided that all proposed amendment changes are made known to the general membership at least one month prior to the meeting, at which 2/3 of those members present shall constitute a majority.

Article 8 **Duties of Officers:**

President - shall act as chairman of meetings and be ex-office member of all committees and shall be a signing officer.

Vice-President - shall assume the duties of the President in his (her) absence.

Secretary - shall keep minutes of all I.Q.H.A. meetings and handle any necessary correspondence.

Treasurer - shall keep a record of all monies of I.Q.H.A. and shall be a signing officer.

APPENDIX C

P.E.I. COLT STAKES ASSOCIATION

P.E.I. Colt Stakes Association Inc.

Phone
(902) 892-4560

P.O. Box 571
Charlottetown, P.E.I.
C1A 7L1

The P.E.I. Colt Stakes Association was formed in 1934 in recognition of the need to actively promote the standardbred breeding and racing industry on P.E.I. and to encourage improvements in breeding stock and practices.

As an incentive to standardbred breeders and owners on P.E.I., the Association is engaged in the following activities:

1. Select Yearling Sale

Each year a yearling sale is held in Charlottetown to which are consigned 60-70 of the best yearlings available for sale on P.E.I. The sale also attracts some consignments from off the Island. The sale is an opportunity to the yearling owners to market their product but also provides the following additional benefits:

- The response of buyers to the sale encourages the breeders to improve their bloodlines in attempting to obtain top prices.

- A considerable number of off-Island buyers attend the sale which brings in direct revenue to the sellers in excess of $200,000 annually.

- The sale is largely attended by the general public and is a 'feature' of the P.E.I. rural lifestyle akin to the Easter Beef Show and similar agriculture activities.

Proceeds from the sale based on a commission of 7% go towards the P.E.I. Colt Stakes Racing Program.

The single biggest drawback in the staging of the annual sale is the lack of adequate facilities for stabling, showing and selling of the yearlings. This is particularly evident when a comparison is made to the venues of the other Maritime sales, the Select Sale in Halifax at The Atlantic Winter Fair Site, and the Combined Sale in Moncton at the Agrena Complex.

Unless improvements are forthcoming we will face a growing reluctance on the part of consignors to consign, and potential buyers to attend future sales. Clean, comfortable and functional facilities are essential to establishing and maintaining high quality standards and attracting the attention of significant buyers.

2. Colt Stakes Racing Program

The value of a yearling at the sale or sold privately is directly related to its earnings potential. Many jurisdictions now have 'Stakes' programs which provide very lucrative purses for 2 and 3 year old races. The Province of Ontario has a 'Stakes' program which is worth between 12 and 15 million dollars in 1986 with the money being provided in part by the nomination and sustaining payments by the breeders but primarily as a result of the provincial government rebate of 2% of the parimutuel wager in that province to the Ontario Stakes Organization. In similar fashion, the Atlantic Sires Stakes Program benefits from a rebate of 0.5% of the parimutuel wager on P.E.I. to that Association. This amounted to about $30,000 in 1985 based on a total wager of almost $6 million. Resultant purses for Atlantic Sires events ranged from $7,000 to $8,000 per dash. There is no question that the Atlantic Sires Program benefits breeders in P.E.I. in a general way, in fact, it can be argued that P.E.I., which stands almost 50% of the sires in the Maritimes and has a very high proportion of the colts foaled in the Atlantic Provinces relative to the size of its racing activity, benefits significantly more than the extent of the Island contribution which is less than 15% of the total contibutions made by all Atlantic Governments (including N.B. and N.S.).

The P.E.I. Colt Stakes Racing Program is similar to the Atlantic Sires Program to the extent that it provides an incentive for horseowners to purchase colts which have been nominated for the P.E.I. Colt Stakes. Purses for the P.E.I. Colt Stakes, however, have not kept pace with the increases in other stake programs and indeed showed a decline in 1985-86. As a consequence, we are concerned that breeders will be less likely to nominate colts for the P.E.I. Stakes Program because of what they perceive to be more attractive engagements to the prospective buyer. To offset a drop in nominations in 1983 the P.E.I. Colt Stakes introduced Breeders Awards representing 10% of the purses paid out in the Annual Stakes. The subsequent increase in nominations the past two years to over 400 entries can be attributed to this commitment. The extra cost to the Stakes Program this year is estimated at $4,000 for breeders awards.

P.E.I. Colt Stake races are raced in six classes - 2 and 3 year old pacing colts, 2 and 3 year old pacing fillies, and 2 and 3 year old trotters.

Total contributions to purses and breeders awards for the 1986 year were $51,000, an increase of $2,000 over 1985 made up from the following sources:

	Actual 1985	Actual 1986
Track purses	$ 3,500	$ 5,000
Payments by owners	$30,335	$32,000
Profits from Select Sale	$11,160	$10,000
Government Grant	$ 4,000	$ 4,000
	$49,000	$51,000
Breeders Awards	2,500	4,600
Actual Purses	$46,500	$46,400

A total purse structure of about $54,000 would be required to maintain the P.E.I. Colt Stakes on an equal footing with last years Program and cover the extra costs of the Breeders Awards (approx. $5,000). It is clear, however, that with the Atlantic Sires Program assistance from government based upon a percentage of the ever increasing wager that the gap in purse levels between the Stakes Programs will continue to widen.

An annual rebate of a percentage of the overall wager on P.E.I. (each 0.1% approx. $6,000) to the P.E.I. Colt Stakes Association, coupled with an anticipated higher sale profit and higher sustaining payments could result in the necessary increase in purse levels with a consequent boost to the value of Island yearlings and to the P.E.I. breeding industry in general.

An alternative source of funding would be a portion of the lottery profits accruing to the Province. It is an established fact that parimutuel wagering declines as a result of lottery competition.

3. TROTFEST

In 1985 the P.E.I. Colt Stakes added Trotfest to their annual program in September. This popular event featured a full evening of trotting races and attracted horses from around the Maritimes as well as special guests from Ontario, Quebec and the United States. Based on the success of the inaugaral event the Trotfest program continued in 1986 with even greater off-Island participation. The P.E.I. Colt Stakes weekend in September has become a significant attraction which not only benefits the harness racing industry but contributes substantially to the off-season tourist attraction of P.E.I.

4. Education Programs

In past years, the P.E.I. Colt Stakes Association has sponsored seminars and workshops on nutrition, breeding and farm management.

During 1985-86 we sponsored two seminars involving special guests from Ontario -- Dr. John Hayes speaking on selection and training of yearlings -- and Percy Robillard with a presentation on the trotting horse in conjunction with Trotfest 85. The cost for these seminars was borne out of our administration funds raised from membership dues.

Limited financial resources, however, have not permitted the fullest use of the opportunities presented. With an increase in government assistance, and working closely with the Extension Branch of the Provincial Department of Agriculture and the Canadian Trotting Association, we can anticipate a much more extensive and comprehensive educational program for the standardbred breeders on P.E.I.

The limiting factors in any continuing education program are facilities and financial resources. There is a need to incorporate the educational requirements of the standardbred industry into both formal and continuing education programs.

Formal education courses could be established through Holland College for various 'trades' related to the industry. Night courses and special seminar/workshop activities could be co-ordinated by the Department of Agriculture on behalf of all horse breeds on P.E.I.

The establishment of a vocational training facility for would be industry pariticipants at the old Upton track next to the Holland College Technical Centre in the Industrial Park would provide several advantages to the industry.

1. On the job training for trades such as trainer/driver, groom, veterinary assistant, farrier, etc.

2. A training facility for young horses (2-3 yr. olds) with stabling which would relieve the pressure on the limited stall space at the CDP and SRW for active racing stock.

3. A research and testing facility for the advancement of equine research programs at the Atlantic Veterinary College.

The proposed site could also serve as a restoration and historical project to document and house the history of the horse industry on P.E.I.

5. Administration

Administrative costs have continued to increase each year and in an effort to offset these an increase in membership dues from $5 to $10 was approved at the annual meeting. This has resulted in an additional $2,000 in revenue. Even with this increase it is likely that the P.E.I. Colt Stakes will operate with a deficit again this year as it has the past two years. The organization currently leases a computer to handle the recording of stakes entries, memberships and sale entries/pedigrees. This lease expires this current fiscal year and the P.E.I. Colt stakes has a buy out option of $2,000 on the system. Excersing this buyout rather than renewing the lease will save over $3,500 annually in future years. The financial position of the organization at the 1987 year end will not, however, permit us to effect the buy out. This kind of financial and administrative restriction in providing adequate administrative support is common to all 'volunteer' organizations in the industry. There is a real need for an industry support organization e.g. an Island Horse Council - similar in concept to Sports - P.E.I. which can provide cost shared administrative support for all horse related groups. Data management, mailing lists, membership lists, pedigree records, fees and dues payments, co-operative insurance, educational programs, newsletters etc. are some of the areas of common interest where each organization attempts to satisfy their own needs. The general result, however, is a lack of quality, timeliness and efficiency which adversely affects progress in the industry.

The harness racing industry itself suffers from too many organizations sometimes working at cross purposes, each requiring membership and taking a heavy toll on the limited volunteer effort available. We need a "United Way" approach to dealing with this fragmentation in order to eliminate duplication and the related financial burdens on the participants. A single annual membership in support of the "Island Horse Council" should suffice to cover administrative requirements of all participating groups whether they be stake organizations (PEI Colt Stakes), horsemans groups (PEISHOA, Prince County Horsemens Club, etc), service groups (Joyriders, Pony Club, etc.) or breed organizations (Quarterhorse, Draft Horse, Jumpers, etc.).

6. Other

As a special project this year the directors undertook the research and documentation of the 52 year history of the P.E.I. Colt Stakes. We hope to obtain financial assistance for this project from federal government sources but anticipate an expenditure of around $500 from our own resources. There is a need to document the history of the horse industry on P.E.I. since it is very much an industry built upon its past.

Another area of concern is that of semen transport potentially a boon to the typical small Island breeder faced with esclating costs of transportation and board for mares and foals. In order to benefit from the Canadian Trotting Association's decision to permit transportation of fresh semen Island breeders either must join the CTA or appeal to the USTA, which currently refuses to register semen transport foals, to make a special exception for P.E.I. with regard to its insularity and the prospect of close control through an organization such as the Atlantic Veterinary College.

APPENDIX D

P.E.I. DRAFT HORSE ASSOCIATION

BRIEF

TO THE MINISTERIAL TASK FORCE
APPOINTED TO STUDY THE HORSE
INDUSTRY ON PRINCE EDWARD ISLAND

PRESENTED BY

PRINCE EDWARD ISLAND DRAFT HORSE
ASSOCIATION

NOVEMBER 27, 1986.

The Prince Edward Island Draft Horse Association (PEIDHA) is a young organization which adopted its charter three years ago. This Association represents draft horse owners/enthusiasts who wish to better the draft horse industry on Prince Edward Island. The objectives of the PEIDHA as written in our Constitution and By-laws are:

1) To create an interest in the breeding, improvement and sale of draft horses.

2) To conduct such functions as will promote a keener spirit of co-operation and friendship among owners and breeders.

3) To assist in the establishment and development of new breeders.

4) To assist in the promotion and development of Provincial Draft Horse Exhibits.

5) To create a vehicle to act as a spokesman for draft horse owners and breeders.

We believe the Provincial Government can play an important role in fulfilling our objectives. We recognize and truly appreciate the support the P.E.I. Department of Agriculture is giving us now such as:

i) Sponsors of the Draft Horse Improvement Policy.

ii) Assistance for health care through the Health Management Program which is delivered by veterinarians.

iii) Supporting the Old Home Week Provincial Exhibition.

iv) One Thousand Dollar ($1,000) grant to the PEIDHA.

v) Partial assistance for continuing education programs.

We are very grateful for the present programs but there is much more that can and should be done to revitalize the draft horse industry on Prince Edward Island.

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We present to this Task Force problems and possible solutions which we feel will aid the resurgence of draft horses on Prince Edward Island.

Problem #1: LACK OF PROFIT IN RAISING OR SHOWING DRAFT HORSES.

At present a person cannot make a profit or break even raising or showing a draft horse on P. E. I. The production costs to raise a foal to three years when it can do some work or show are astronomical when you consider you could only sell this animal for one thousand to fifteen hundred dollars ($1,000 - 1,500.00.)

Solutions: To come close to making a profit in the draft horse business one of two things must occur:

A) Decrease the expenses of raising and showing draft horses.

B) Increase the revenue expectations in raising and showing draft horses.

A) i) Tax Incentives - many draft horse enthusiasts are not classified as farmers. It would be a benefit to all draft horse owners to have tax numbers for Provincial Sales Tax exemptions on such items as horse trailers, feed and supplies, gasoline etc. Further more low rate farm loans, capitol equipment loans etc would also be an incentive for non-farmer draft horse enthusiasts to get established in the draft horse business.

ii) Supplement transportation costs to Shows. A sheep farmer can take all his show stock and equipment in a half ton truck but a person with a hitch of horses requires a stock truck plus another vehicle to transport show wagon, harness and equipment. Plus it takes two - four persons to get the horses ready for a Show. If the Provincial Government paid travelling expenses, this would be an

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incentive for more persons to show.

B) Increase the revenue expectations in raising and showing draft horses:

i) Quality - we must strive to increase the selling price of draft horses by improving quality. The Government can assist in improving quality by paying the transportation costs of bringing in select mares and stallions to improve the breeding stock.

ii) Maintain the Draft Horse Improvement Policy but increase payments to $100.00 grade and $200.00 purebred.

iii) Government sponsorship of Island Futurity Classes for Draft Horses similar to Quarter Horse Futurities.

iv) Prize money should be increased substantially at major Island Shows. Also the Government could match prize money won by Islanders at off Island Shows.

Problem #2: MARKETING/MARKETABILITY.

Prince Edward Island is not recognized as having top quality draft horses. We are not or cannot market the ones we are raising profitably. There is not a great demand for the working draft horse, and we generally are not raising the type of show horse required for hitches or breeding stock. Also we do not have the numbers of quality colts or fillies that would attract out of province buyers. If a person came to P. E.I. to buy a Clydesdale yearling, there would only be three or four to even look at.

Solutions: Develop markets here in the Province and outside of the Province. To this end we suggest:

a) Improve quality

b) Increase numbers - the PEIDHA is encouraging new breeders

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and if it can make a hobby profitable, the numbers will improve.

c) The P.E.I. Government must construct a new complex to house the Provincial Exhibition. We need a SHOW PALACE/PLACE for our horses. Right now it is questionable whether an exhibitor would chance putting his draft horses in one of those exhibition barns for safety reasons.

d) Encourage exhibitors to show outside P.E.I. and outsiders to come to P.E.I. to show. Money encourages outsiders to come and show. Increase prize money at Old Home Week Show. Make the Old Home Week on par with Atlantic Winter Fair or Maritime Winter Fair.

e) Bring in judges from out of the Province for major shows. These judges return to Upper Canada and tell others about the draft horses on P. E. I.

In general, the recommendations to improve the Draft Horse Industry could be applied to the entire horse industry. Recommendations that would improve the entire horse industry in this Province are:

1) Construct a new coliseum complex - a show place for our horses.

2) Improve the breeding stock. We have some quality stallions available but the mares (Hunter, Standardbred, Quarter Horse, Thoroughbred or Draft) need much improvement.

3) We need to develop better markets, promote our Island horses better and increase public awareness of the horse industry both here in P.E.I. and outside the Province.

To summarize our report please refer to page 6.

We appreciate the opportunity to meet with the Task Force and present our views. We have presented the problems and potential

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solutions of the PEIDHA; it is your job to decide how best you can help us. We trust your recommendations to the Minister of Agriculture will serve the Horse Industry of Prince Edward Island very well, and in particular, will assist in the promotion and development of draft horses.

PROBLEM #1 - NO PROFIT IN RAISING AND SHOWING DRAFT HORSES.

SOLUTIONS - A) DECREASE EXPENSES IN RAISING AND SHOWING DRAFT HORSES:

- i) tax incentives
- ii) supplement transportation costs to Shows.

B) INCREASE REVENUE EXPECTATIONS IN RAISING AND SHOWING DRAFT HORSES:

- i) increase value of animals by improving quality,
    - a) supplement costs of bringing in breeding stock,
    - b) improve upon Draft Horse Improvement Policy,
    - c) Draft Horse Futurity Classes.
- ii) Increase prize money for Island Shows,
- iii) match the prize money Islanders win in off Island competitions/shows.

PROBLEM #2 - MARKETING/MARKETABILITY

SOLUTIONS - A) Improve the product to be marketed (i.e. improve quality

B) increase numbers,

C) build a new complex to exhibit the horses,

D) encourage persons to compete outside P. E. I.,

e) bring in out of Province judges for major shows.

APPENDIX E

P.E.I. HUNTER BREEDERS ASSOCIATION

A BRIEF SUBMITTED TO THE
PEI HORSE INDUSTRY TASK FORCE

BY

PEI HUNTER BREEDERS

Presented by : Barbara MacKay
Barbara Jewell
Janet O'Neill

5 November, 1986

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1. INTRODUCTION

1.1 ROLE OF PEI HUNTER BREEDERS: Provincially:

The PEI Hunter Breeders organization was formed in July of 1983 by a number of concerned breeders. The lack of available animals, without leaving the Province, has always been a prime concern. We have been raising quality standardbreds, draft horses, quarter horses, and now Canadian Hunters. The breeders found themselves without access to financial assistance from Provincial government, and without any function to show their young stock. Many of the hunter breeders were first time in the business and it seemed there was a real need for education - luckily, many standardbred breeders were willing to share valued information. This led to an organized monthly lecture series open to anyone, free of charge.

In answer to a request from the PEI Hunter Breeders, the Provincial Government, through the Department of Agriculture agreed to grant us $1,000 per year. This money has been used in Line Classes held at the Ch'town Old Home Week Horse Show and more recently, at our Annual Field Day. The Line Classes give breeders the opportunity to show their stock, and open a path for prospective buyers. PEI Hunter Breeders are actively promoting the Registered Canadian Hunter as the ultimate Sport Horse.

1.2 BACKGROUND

The PEI Hunter Breeders is the Provincial Chapter of the Canadian Hunter Improvement Society.

The Role of the Canadian Hunter Improvement Society Nationally:

HISTORY:

Canada has long been famous for its good horses. As early as 1843, an Englishman, Lieut. Dan Lysons, stationed in London, Ontario, wrote in his diary that "horses which they procured from the farmers thereabout were remarkable for their ability to jump timber fences."

By the turn of the century a great many Canadian bred horses were being sold to the United States market. Canadians were exhibiting hunters and jumpers constantly in the United States and in Europe with gratifying success.

During the First Great War, vast numbers of our horses, including many mares suitable for hunter breeding, were shipped to the army in Europe, never to return. However, the Canadian Racing Association, on the suggestion of Col. Frank Moss, imported from England and made available to farmers in Ontario, 16 Thoroughbred stallions suitable for half-bred production. Their blood is in the pedigrees of most hunter foundation stock lines. Over all these years, Canadian Hunter type horses have been in great demand in the U.S. and foreign countries.

In 1926 the Canadian Hunter Saddle and Light Horse Improvement Society was officially incorporated. In 1928, the Foundation Brood Mares Registry was started. The Canadian Hunter Society was incorporated in 1933 under the revised livestock pedigree act, and the arrangements were made with the Canadian National Live Stock Records to maintain the Canadian Hunter Stud Book. In 1970, the two were amalgmated into the Canadian Hunter Improvement Society.

OBJECTIVE:

The objective of the Society is to produce sound Hunter horses of correct conformation capable of carrying a rider comfortably and safely over rough country, stiff obstacles, and long distances at suitable speed. High standards in breeding and registration have produced a sport horse so versatile, it not only is in our hunt fields, but also holds international championships in dressage, hunting, jumping and eventing.

INSPECTION:

In creating and fixing a breed, there must be provisions for eliminating unsuitable animals from each generation.

STALLIONS:

Stallions of approved breeds are inspected for Provisional Registration. After three years and a second inspection of the Stallion and his get, he may be approved for Final Registration as a Canadian Hunter Stallion.

MARES:

The Canadian Hunter Improvement Society has an open Stud Book. Females of unknown background can, after passing inspection, be accepted in the Hunter Registry as foundation stock. By using registered Canadian Hunter Sires on these mares, upgrading to qualify for Canadian Hunter registry is possible.

FOALS·

All foals sired by a Registered Canadian Hunter Stallion and out of a Registered Canadian Hunter Mare or Foundation Stock Mare approved for Breeding Stock, are eligible for final Registration as Canadian Hunters (1983).

PEDIGREE RECORDS:

The pedigree records of the Canadian Hunter Improvement Society are kept by the Canadian National Live Stock Records, Ottawa, Ontario - an organization of breed associations, whose records have official standing both nationally and internationally.

NATIONAL DIRECTORS:

The PEI Hunter Breeders nominates one National Director. This person receives all minutes of Directors meetings which are held in Ontario, as they have the largest horse population with 16 Directors. All other provinces have one.

1.3 PRESENT SITUATION:

Regular activities of the Hunter Breeders include:

Field Day - restricted to Registered Canadian Hunters and involves line and performance classes.

Annual Fund Raiser - a variety of methods are employed to raise funds

Field Trip - an educational tour where breeding stock and facilities are viewed and new ideas are incorporated in our own organization.

Central Inspection - organized to enable people with prospective foundation stock to have them inspected and hopefully approved for registration.

Educational Series - a series of lectures and short seminars using local professionals to educate owners and breeders.

For a more complete and detailed explanation of our current situation, please refer to APPENDIX A - PEI Hunter Breeders Budget Submission to the Department of Agriculture.

1.4 REGIONAL AND NATIONAL COMPARISONS:

Most provinces have a regional chapter with the national headquarters in Ontario. The National Headquarters has a full-time, paid secretarial staff at their office in Gormley, Ontario.

Individual provinces assist member requests regarding Inspections and Registration applications.

A bi-monthly newsletter issued by the Canadian Hunter Improvement Society keeps the provinces informed of inter-provincial and national activities. Locally, newsletters are sent to all members on a regular basis. A general meeting is held once a year and executive meetings are held when necessary and minutes from these meetings are circulated to all members.

1.5 ROLE OF THE PROVINCE:

The Province has firmly endorsed the PEI Hunter Breeders by including the Canadian Hunter in its Livestock Section and provides limited, annual funding for line classes and educational programs.

It was recommended in "A Study of Development Opportunities - PEI Horse Industry", 1980, pages 3, 32 and 38, that the Province support Breeding Programs. I would like to read the following excerpt from this Study:

"Horse owners, on the average, lose money by keeping horses. Spin off industries make money, people gain employment and government gains tax revenue. The report suggests ways in which government may help to make the breeding of horses more profitable."

"The importance of the horse business is emphasized by the fact that, in value, horses rank third in PEI behind dairy cattle and beef cattle, ahead of the total value of hogs, sheep and poultry on farms as of January 1, 1979."

"In 1979, horse owners received $4,137,798 in revenue but spent $14,560,370."

"Saddle horse and pony owners spend almost $5,000,000 each year - they have over $12,000,000 invested and only receive 3/4 of a million in revenue."

"Many of these dollars are going out of the Province to buy horses. Programs should be initiated to help stop that flow and start it coming the other way." (End of quote)

2. RELATIONSHIP TO THE PEI HORSE INDUSTRY

2.1 BREED DEVELOPMENT:

PEI Hunter Breeders are a small part of the Horse Industry trying to breed quality hunters. This can be accomplished by:

a) Futurities
- to promote the quality of the breed
- to enable breeders a means of promoting stock
- to encourage long-term breeding

b) Breeders Awards
- an incentive program to recognize breeding efforts.

Maintaining National Standards:

This can be accomplished through Inspection of Breeding Stock and judging at exhibitions.

2.2 EXHIBITIONS AND SHOWS

We are trying to give breeders and owners of Canadian Hunters the opportunity to exhibit breeding stock and offspring through conformation judging. Field days also educate owners and exhibitors through clinics in conjunction with these shows. We strive to make these shows a learning experience.

2.3 EDUCATION:

An educational series of lectures and clinics is held each year using resource people such as veterinarians and breeders. These presentations are open to all horse people, not just PEI Hunter Breeder members. For a Summary of Lectures offered, please refer to attached Appendix C.

The National body provides inspectors at our expense, to inspect Foundation Stock, and, inconjunction with these Inspections, educational seminars are held.

At present, we must provide funding to obtain out-of-province Inspectors. An owner of a prospective hunter must wait up to one year unitl there is sufficient number of horses to be inspected to warrant a Central Inspection.

2.4 LEADERSHIP:

The membership of the PEI Hunter Breeders consists of an enthusiastic group of volunteers with many years of equine experience. This group supplies knowledge, expertise and experience to Island Horse Council.

3. GOALS AND OBJECTIVES

3.1 SHORT RANGE GOALS - 18 months

a) increase the number of Registered Canadian Hunters on PEI
b) encourage our membership to show at Regional Exhibitions
c) increase the level of marketing and promotion of hunters
d) establish a Futurity for Island-foaled hunters
e) establish a breed incentive program

3.2 LONG RANGE GOALS - 5 years

a) increase regional participation in local events
b) increase the number of Registered Canadian Hunters on PEI
c) have a locally trained inspector which would reduce costs of bringing in an outside inspector and provide more opportunity to inspect stock

OBJECTIVES

3.1 SHORT RANGE OBJECTIVES - 18 months

a) to increase the number of Registered Canadian Hunters on PEI from 40 to 60 by the spring of 1988
b) to provide financial support for our high-point winner to attend Regional competition
c) to record in the news media, every function concerning the PEI Hunter Breeders

3.2 LONG RANGE OBJECTIVES - 5 years

a) to host a Maritime Hunter Breeder Show
b) to host a Maritime Annual Hunter Breeders meeting
c) to have our own local inspector
d) to increase the number of Registered Canadian Hunters on PEI to 200 by 1990.

4. PROBLEMS AND CONSTRAINTS

4.1 ORGANIZATION:

Our organization has been developed over the past three years through volunteer people.

We are a young organization and have not had the opportunity to establish a large group from which to select volunteer leaders.

We do not feel there is a Provincial governing body adequately representing our needs.

RECOMMENDATION #1

> Strengthen the organization by actively recruiting more volunteers from our owner/breeders list.

RECOMMENDATION #2

> Ensure that Hunter Breeders be an intergral part of the Provincial organization that governs horses on PEI.

4.2 FACILITIES AND SHOWS

The present facility - the Kennedy Colesium at the Charlottetown Driving Park, at its peak in the late 1970's had over 200 entries to its Old Home Week Horse Show. Exhibitors came from the Eastern Canadian Provinces and the New England States. They represented over half of the exhibitors and vacationed on PEI for a week or more.

At this time, the stabling was beginning to deteriorate and other support facilities were not being upgraded. Since that time, the facilities have further deteriorated to a point where it was considered dangerous by local and out-of-province exhibitors. The same show held in 1986 attracted less than 75 exhibitors, most of them being local.

Our organization is continually embarrased and frustrated when we learn that out-of-province exhibitors have omitted our provincial showcase - Old Home week Horse Show - siting concerns over stabling, security, parking, etc.

It is unreasonable for the not-profit horse organizations to upgrade the facilities at their own expense.

Lack of a proper facility restricts saleability of our breed due to lack of exposure to our-of-province potential buyers. Breeders must leave PEI to market their stock.

The lack of a good facility also restricts the potential of educational clinics and seminars where people from out-of-province could come to PEI with their horses.

There is a low morale amongst exhibitors, buyers and spectators without a suitable facility. A good facility encourages quality showmanship and spectator interest.

The cost to rent the CDP facility is approximately $700 per day and not feasible for not-profit organizations to host events.

Other existing smaller facilities such as privately owned arenas do not offer enough stabling or large enough arenas to host shows and events.

RECOMMENDATION #3

Upgrade and modify the existing facility to an acceptable level or construct a new facility.

RECOMMENDATION #4

Funding be provided by the Province to support Futurities and Breeder Awards.

RECOMMENDATION #5

Funding be provided by the Province to educate our own Inspector

4.3 GEOGRAPHY

TRAVELLING COSTS:

Our costs for off-Island attendance to exhibitions are higher than the other Maritime Provinces.

RECOMMENDATION #6

Subsidize Provincial representative Hunters to out-of-Province events.

4.4 PROFESSIONAL SUPPORT

a) Obtaining speakers for our educational lecture series is difficult. The research and preparation required by these speakers and local professionals is not always attractive when balanced with their remuneration.

RECOMMENDATION #7

Establish an Equine Specialist to provide educational and extension services and coordination.

b) Communication and distribution of Hunter Breeder information has been purely at the initiative of our volunteer community. These administrative functions are continually in jeopardy.

RECOMMENDATION #8

The Province establish an Administrative Support Service which could be utilized by our organization to communicate and distribute our information.

4.5 MARKETING - The Hunter Breeder Organization

a) We are a young organization - this is a problem

b) Our relationship with other equine groups is not widely known. There should be a clear statement of the Hunter Breeders organization, well-known within the Provincial Equine Governing body.

RECOMMENDATION #9

The Hunter Breeders continue to promote its activities in all forms of the media, to encourage interest in its functions and communicate its programs to the total horse industry.

5. SUMMARY OF RECOMMENDATIONS

RECOMMENDATION #1

Strengthen the organization by actively recruiting more volunteers from our owner/breeders list.

RECOMMENDATION #2

Ensure that Hunter Breeders be an intergral part of the Provincial Organization that governs horses on PEI.

RECOMMENDATION #3

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The Province establish an Administrative Support Service which could be utilized by our organization to communicate and distribute our information.

RECOMMENDATION #9

The Hunter Breeders continue to promote its activities in all forms of the media, to encourage interest in its functions and communicate its programs to the total horse industry.

6. SUMMARY

In a Province where we now have the most modern and progressive Equine Institute in Canada - The Atlantic Veterinary College - and with superior equine expertise now available to us, our Province should be supporting the horse industry to the utmost. We feel that our recommendations and proposals are concrete steps in this direction.

In conclusion, with Prince Edward Island being a predominately agricultural Province and the horse industry the third largest animal industry, it only stands to reason that we should have available an Agricultural Complex which can house and thus promote all facets of this growing industry.

7. APPENDICES:

A. The PEI Hunter Breeders Budget Submission to the PEI Department of Agriculture, 1985.

B. Prince Edward Island Horse Industry - A Study of Development Opportunities - prepared by H. Lloyd Palmer, Department of Agriculture, 1980.

C. Educational Lecture Series sponsored by PEI Hunter Breeders.

D. PEI Hunter Breeders Constitution

E. PEI Hunter Breeders Scrapbook.

F. The Canadian Sport Horse - Your Passport to the Future

APPENDIX F

MARITIME BREEDERS ASSOCIATION LIMITED

A
BRIEF PRESENTED
TO
MINISTERIAL TASK FORCE
ON THE
HORSE INDUSTRY
ON
PRINCE EDWARD ISLAND
HONOURABLE TIM CARROL
MINISTER OF AGRICULTURE
PRESENTED BY
MARITIME BREEDERS ASSOCIATION LIMITED

November 29, 1986

HISTORY OF MARITIME BREEDERS ASSOCIATION LIMITED

This company was formed in 1981 by a group of stallion owners in Atlantic Canada for the purpose of attaining excellence in breeding the standardbred horse and to give this improved breed the opportunity to race for expanded purses in each division.

The company is registered with Joint Stock Companies to do business in all three Maritime Provinces and each shareholder owns at least one stallion servicing mares in any of the three provinces. Annual shareholder dues are one stallion fee per season with a minimum of five hundred dollars per horse. This minimum fee was raised from three hundred dollars to five hundred dollars at the beginning of the 1985 breeding season. The company is effectively run by a board of directors of twelve - elected annually. Stallion fees to the company are due and payable on January 31st each year prior to the breeding season, and a late payment provision is available for imported stallions following that date. The late payment is double the stallion fee, or a minimum of one thousand dollars.

Maritime Breeders Association are the sponsors of events for two and three year olds.- pacing colts, pacing fillies and trotters that have been sired by a member stallion, and have followed several payments of the offspring to remain eligible to the programme. These payments are subject to race conditions published annually prior to August 15th and before payment of the broodmare nomination. Rothmans of Pall Mall Canada Ltd. have been contributors to all events in stake number one through stake number five including an annual payment of twenty thousand dollars and all trophies and blanket awards. Stake number six through stake number ten has Dairy Queen Canada Ltd. and Peter Foy Enterprises Ltd. as a contributor with a similar contract of Rothmans of Pall Mall. All events for eligible off spring until 1989 will be known as Rothman's Sires Stakes and then events will have the logo of Dairy Queen Futurity. In 1981 in the initial year with the minimum fee set at three hundred dollars 49 stallions registered in the programme, 1982 had 42, 1983 saw 65 register and 1984 registered 75. The minimum fee was raised in 1985 to five hundred dollars and 64 registered and in 1986, 59 registered for a total funding of $40,000. to begin stake number six. To date fifteen stallions remain in our programme from the outset and fifty have been imported into the region since 1981.

BRIEF OF MARITIME BREEDERS ASSOCIATION LIMITED
PRESENTED TO MINISTERIAL TASK FORCE ON THE HORSE
INDUSTRY OF PRINCE EDWARD ISLAND. HONOURABLE
TIM CARROL MINISTER OF AGRICULTURE.

Maritime Breeders Association Limited welcome this opportunity to appear before this Task Force to inform you of our activities to date and to share with you our plans and dreams of the future for the next ten years.

This company is a self-help organization that has devoted many hundreds of hours of volunteer work with full financial support from all aspects of the horse industry and particularly from the stallion owners without whose support this programme would still be in the planning stages. We have enjoyed great moral support from all the governing bodies in the standardbred industry, inclusing federal and provincial governments and as we begin stake number seven for the 1987 breeding season, we believe governments at all levels must now study the programme with a view to financially supporting the breeding industry from several departments of government, at both federal and provincial levels.

We have done but a few graphs and illustrations to emphasize the impact of the standardbred industry to all communities in Atlantic Canada, which you may wish to review during your deliberations for presentation to The Honourable Minister. We believe you cannot view harness racing from only a P.E.Island point of view and many solutions to our problems must be viewed from a Maritime wide perspective. Harness Racing in Atlantic Canada is one community with much of the breeding industry centered on Prince Edward Island and a good deal of the training and racing aspects of the industry including the wagering centered around the eight major tracks in the Maritimes. Governments at all levels now have a chance to create a job intensive industry, with less capital input than most industrial promotions now being planned in the region. This sport has developed from a mere hobby to a multi-million dollar industry in Canada. To quote the Canadian Horse Council Study of Woods Gordon at page (12 5.4.0) "the horse industry is an important employer of low skill persons and those based in rural areas. In many situations the employee would be on welfare if it were not for this industry." The study continues page (10 4.2.) regarding the operating expenditures "In total we estimate about 1.7 billion was spent in 1983. About two-thirds in breeding operations".

A study done by Thorne Stevenson and Kellogg for the Ontario Racing Commission (page 20 Exhibit 111-9) states "Most breeders claim they are not profitable" with illustrations showing less than 20% profitable, 70% making a loss and only 12% breaking even. Many broodmare owners in Atlantic Canada are in this business as a hobby and or for enjoyment only. We must inform and lobby Revenue Canada for a change in regulations for the breeding industry as a first priority. We must offer incentives to breeders in the form of breeder awards to recognize the tax relief and subsidy assistance and to encourage them to begin an immediate upgrading of their broodmare stock. Maritime Breeders Association from the outset have awarded ten percent of the monies earned to broodmare owners, based on the earnings in the championship events of their off-spring. The breeder awards in Alberta pay a daily allowance at all track for Alberta sired horses. These awards are substantail including payment of $500.00 for first, $250.00 for second and $125.00 for third. British Columbia for several years have paid broodmare owners a bonus of one hundred percent down to sixty percent of the earnings of any off spring owned and bred in their province. These awards have caused an immediate upgrading of the broodmare bands of breeders in the area. The horse as an agricultural animal must be considered on an even basis with other livestock. In addition we now have a limited capacity to export three and four year olds following their stake racing careers here, and this aspect of the breeding industry could become a major force in the Maritimes. For generations we have been exporting some of the best grooms, trainers and drivers to all parts of North America and now is the time to plan the same programme for horses. This upgrading can and must be done and to illustrate may one of us go to any major standardbred race track or training facility in North America and not find a Maritime trainer, driver or groom. Breeders awards from our brief programme now amount to $40,000. in two and one-half stakes, with elimination purses of $60,000. and purses of $400,000. in championship events. Broodmare owners have received awards which totaled more than the price received for the yearling when sold.

Many of our shareholders inform us there is investment capital available in each community to syndicate a number of broodmares. This capital would be readily available if changes were made in Revenue Canada regulations and a long term subsidy was available to broodmare owners, based on earnings of the foals. In addition some breeders feel increased purse monies could be available for racing fillies and mares that have been imported into the region and in time will be retired to broodmare ranks. Atlantic Lottery Cooperation may wish to assist in this venture as their group seems to be funneling money from the racing industry and through the Maritime Premiers Council a small percentage of these funds could be returned to assist the horse industry.

A five year programme of agriculture subsidies is another answer to the problem when we consider Nova Scotia hog producers selling breeding stock to Iowa we can surely export horses to Central Canada and the Eastern Seaboard of the United States at a profit following and during their stakes careers. Breeder awards to broodmare owners and stallion owners is one sure way to up-grade stock when it is based on the earnings of the foals. A programme to cull up to two hundred mares and replace them with up to one hundred imported mares and Maritime bred fillies with good race records; would be a good beginning.

In an industry that is over regulated, a programmed of deregulation should also be considered. One license for each horseperson in the region should be sufficent. The Council of Maritime Premiers have helped the Atlantic Sires Stakes programme with long term planning and they could extend this help with the appointment of a Commissioner of Racing here with the same powers as a Commissioner of Baseball or Football. This would enable the provinces to phase out expensive Racing Commissions and return these funds to the industry. Lotistics for this body could be a co-operative venture of the Council of Premiers.

A Commissioner of Racing for Atlantic Canada would have an immediate impact on our public image - so important to this sport. Gambling is a very important aspect of the sport of harness racing and integrity in the sport must be guarded at all times. One very important matter in this region is officiating. We must up-grade the current officials, recruit and train new ones and most important cull the officials showing no leadership or improvement. A judges pool and rotation of officials would be a priority for a Commissioner. In Atlantic Canada we have some instances of officials remaining at the same position with a longevity record unequaled at any track in North America. Any market survey will show that most race fans are sport fans and attend many varied events during the year. Would it be possible in baseball to have the same plate umpire for all games of one team for an entire season? While the third base umpire said he was only qualified for one position and would not up-grade the qualifications. The sport fans would not only be very weary of the same official - the official in turn would deteriorate. All race tracks in Atlantic

Canada are very important to the tourist industry and must be supported by Tourism Canada and tourist departments of the three provincial governments. Maritime Breeders Association have a process of awarding elimination and championship events by a tendering process with the tracks. Tourist dollars should be available at certain times of the season to assist area tracks to hold and promote such events. For example, June or September would be ideal months to hold events in the Rothmans Sires Stakes series or Dairy Queen Futurity with purses in the $60,000. range. Inter-province tourism is very important to provincial governments when we consider the spin-off effects of racing and most fans would use two days to attend events on Prince Edward Island. A multiplier effect of two might well be used when considering monies spent by visitors to attend one event here.

A commissioner of racing should not allow fines to be returned to Horse Owners Associations as is the case in some Maritime jurisdictions but use this money for promotion and betterment of the sport. It is also not prudent or legal at this point to allow breeder awards to be paid from horsepersons sustaining payments or starting fees, thus the need for subsidy.

The practice of veterinarian medicine in this region is at a very high level and from illustrations attached we can see the in-foal percentage is improving but we must aim at a goal of eighty percent. Increased in-foal percentages is a great credit to broodmare owners but increased assistance in this area would be another asset for the industry. In 1983 we registered 377 yearlings from 417 foals, 1984 saw 340 registered from 393 foals, 1985 had 378 yearlings from 413 foals and from 420 foals in 1986 we nominated 381 yearlings. These figures compare very favourably industry wide when we consider sales, horses not sustained, fillies not to be raced but retained for broodmares and the mortality rate.

SUMMARY

Maritime Breeders Association Limited is a new phase of racing in Atlantic Canada and we can not come before you suggesting we have all the solutions to industry problems. Our brief must be a short summary of concern relating to the breeding industry and the spin-off effect these problems have. We must all realize the enormous economic impact of this industry and present out case to governments at all levels. Our public awareness is a problem for each and every person involved in the horse racing industry. We must apply pressure and present our case to all levels of government very forcefully.

Race Tracks Canada have altered their location for the annual meeting to include Ottawa for the next three years. All member tracks must lobby the federal government for a review of the Revenue Canada regulations with a view to making changes in the Regulations and Income Tax Act. Beneficial changes would be the most significant thrust the entire industry could receive. A repeal of the maximum $5,000. rule for part-time farmers is a must.

Tourism is a major industry in this region and harness racing is a very important part of this industry for inter-provincial travel. All government bodies related to tourism must be forcefully made aware of programmes they may assist. Pamphlets at all border points, place mats in restaurants, information sheets at all tourist bureaus and accommodation areas including camping grounds, golf courses and ski lodges. Tourism in Atlantic Canada is now a year round operation and so is harness racing.

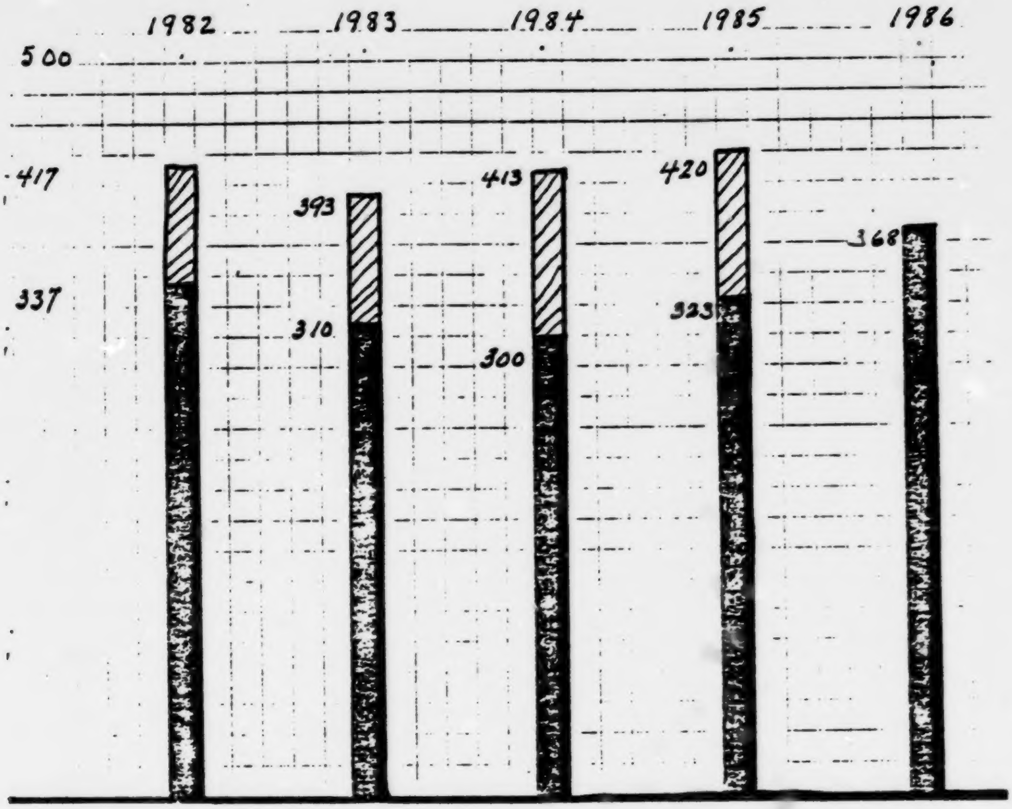
An annual seminar for all governing bodies, race tracks, industry spokespersons, breeders and concerned government officials is a must. Such a seminar must focus on marketing, public awareness and the image of the sport. We cannot continue to complain of lack of leadership from our governing bodies rather we must show that leadership and governments will then react to pressure and awareness. Your Task Force will be able to convince the Government of Prince Edward Island that there is a chance to create and expand a job intensive industry with less capital input than other industries governments at all levels have been trying to attract to the region.

In conclusion may we emphasize some major points that have been brought to the attention of our members as we discussed this brief, prior to presentation.

1. We need quality fillies to join the broodmare ranks.

2. The industry must strive to have the horse recognized as an agricultural animal and be considered a cash crop at the farm gate.
3. The entire industry must begin a dialogue with governments for a change in regulations of Revenue Canada.
4. We must have incentives to all members of the horse breeding industry.
5. To strive to have the appointment of a Commissioner of Racing for Atlantic Canada with a view to upgrading the officials and image of racing.
6. Form an association of all horse owners, track management, breeders groups, drivers and trainers. This association must then recommend changes and racing strategy at all levels of government. With proper leadership the group will succeed.

On behalf of all our members we thank you for this opportunity to express but a few concerns as to the state of our industry and we wish you all bright days and a fast track with your report to The Honourable Minister. Our goal will continue to be excellence in breeding and good racing from those resultant matings.



Live Foals

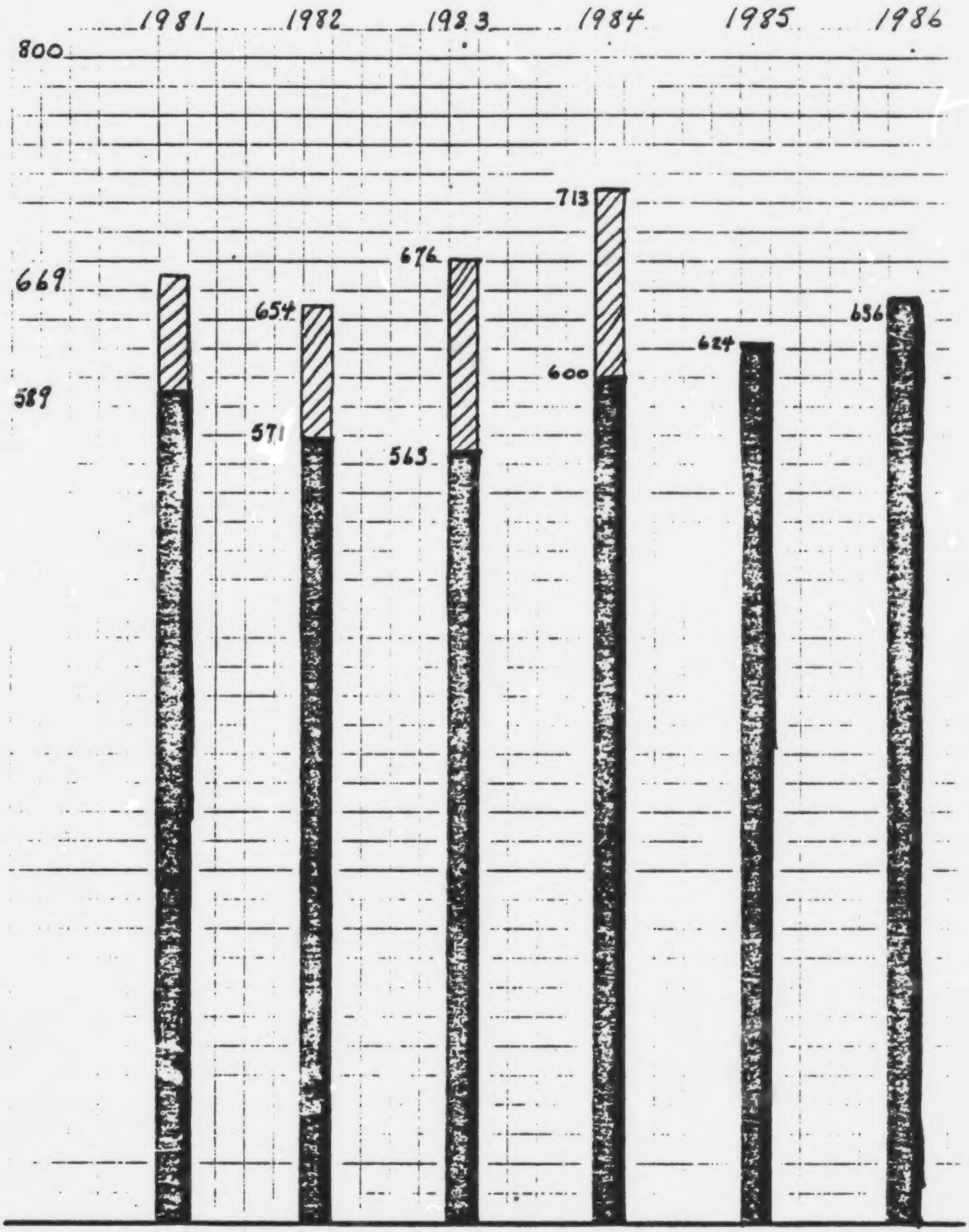
In-foal percentage, including late payment

1982 - 62%

1983 - 60%

1984 - 58%

Palmer study of 1980 - 49%



Broodmares

Late payment $60.00 - 1981 - 1982 - 1983
Stake # 1, # 2, # 3

Late payment $100.00 - 1984 - 1985 - 1986
Stake # 4, # 5, # 6

APPENDIX G

ATLANTIC VETERINARY COLLEGE

PROPOSAL TO THE P.E.I. EQUINE TASK FORCE
FROM THE FACULTY OF VETERINARY MEDICINE,
UNIVERSITY OF PRINCE EDWARD ISLAND

INTRODUCTION:

The Faculty of Veterinary Medicine, University of Prince Edward Island, could make a significant contribution to the improvement of quality and value of horses on P.E.I. by working closely with the equine industry and government. By means of programs in consultation, continuing education, and basic and applied research, the Atlantic Veterinary College could:

1. Participate in definition of objectives for the long-term improvement of the equine industry;
2. Increase knowledge among horse owners, on a broad basis, to include educational programs related to management, nutrition, disease prevention, and economics of equine production systems;
3. Participate in development of superior breeding stock through state-of-the-art breeding technology, using excellent breeding animals from on and off the Island;
4. Develop and direct research programs which address needs of the equine industry on P.E.I., including:
    - problems associated with reproduction, such as infertility or other decreased reproductive performance, embryo transfer and storage, and foal diseases;

- problems associated with diagnosis and prognosis, including improvement in diagnostic procedures and establishment of reliable predictive values to support improved diagnostic work;
- problems associated with work performance, such as gait analysis by computer, improved methods of evaluating exercise capacity of musculoskeletal, cardiovascular, and respiratory systems, and the related development of improved training regimes;
- problems associated with disease prevention, such as creation of a detailed data base of health records for computer analysis, and recommendation of means for improved preventive medical and management approaches.

5. Participate in the establishment of a model off-campus equine facility for education and research, by working toward the sharing of certain resources of the Atlantic Veterinary College, such as staff, vehicles, and space. If the college were to become involved in the development and management of an off-campus facility, it would be necessary for a group of faculty to declare a commitment to the success of the objectives of the program.

BRIEF:

1. Restrictions obstructing development of the horse industry on P.E.I.:

    a. Economics: The return on investment for horses kept as a business (racing purses, yearling sale receipts, stud fees, etc.) is too low to make programs such as equine research, health management, and preventive medicine attractive to owners.

    b. Baseline information: Researchers are lacking in the baseline data from which to draw benchmarks for achievement. It is essential to know where we are today before decisions on research needs or evaluation of research accomplishments can be made.

Examples of some questions which immediately arise as a result of lack of baseline information are:

What are the respective breed populations on P.E.I.?

What are present performance levels in the P.E.I. equine industry? (Percent foals born alive, percent foals weaned, percent mares in foal at 60 days, percent two-year-olds racing, etc.)

What are the present indices and levels of disease? (Mare infertility, yearlings with internal parasites, racehorses with musculoskeletal dysfunction, pleasure horses with respiratory disease, etc.

2. Recommendation for corrective action to remove these restrictions:

   a. Economics: No recommendations are offered to improve the economic state of the equine industry, other than to improve equine health management through application of proven procedures, or through engaging in research as outlined in Section 3 below.

   b. Baseline information: A concerted effort is required to collect baseline information on the P.E.I. equine industry. We must have a clear current perspective on production, management, and health issues. An equine census would provide population and management information. Productivity and health information could be collected using aspects of A.V.C.'s Animal Productivity and Health Information Network as it is now being set up for productivity and health information for food-producing animals. This "Network" is a major project in animal health and disease information collection and retrieval.

With the availability of baseline information, "targets of performance" can be agreed upon and sets by owners and veterinarians. This is the basis of health management.

3. Recommendations which would allow the horse industry to achieve its maximum development and potential as an industry in P.E.I.

Presented below are a number of areas of emphasis which might be served by improved clinical resources, continuing education, and research, as provided by the Faculty of Veterinary Medicine. These are examples of areas which are broadly important to progress in the equine industry in general, and to the P.E.I. industry in particular.

a. Inefficiency in Reproduction: The final equine product (athlete, work, or pleasure horse) is the result of breeding, training, management, and nutrition.. Many interrelationships exist. For example, contracted tendons in foals may have a genetic or nutritional component, or arises from multiple causes. Consequently, genetic research is of importance to the equine industry. Further, reproductive diseases, in much the same manner as diseases of foals, may be very difficult to identify, but extremely costly. Infertility (both male and female), early embryonic losses, abortions, and the birth of weak foals all continue to require more investigation. Embryo transfer and storage is commercially available in cattle. With industry support and research in the area, the procedure could become viable in the equine. Also, superovulation of the mare and the production of more than one foal per year could result.

Currently, the Atlantic Veterinary College has an active project studying the properties of normal and abnormal cells of the testis in a variety of species, including horses. This has a direct bearing upon fertility in the stallion. Faculty will be developing procedures for evaluation of male and female reproductive hormones in a number of domestic species, including the horse. These procedures are essential for basic and applied research in reproductive efficiency.

b. Diseases of Foals: Diseases of foals are not only disheartening, but the true economic loss is often hidden (stud fees, boarding charges, lost potential performance income, etc.). Recent studies in calves, for example, indicate that with some diseases of the newborn, true potential is never achieved even if the animal recovers (e.g., pneumonia at an early age). Consequently, research is required to control and prevent such conditions as viral and bacterial pneumonias, septicemias, and joint infections. Parasitism of the young is often not apparent, but seriously detrimental. Nutrition of young animals requires study to provide for optimum performance in later years.

c. Economics of Major Surgical Procedures: In contrast to most livestock species, management of the horse is on an individual basis. Health-related decisions are therefore made not only within economic considerations, but also because of more subjective reasons (companionship, moral considerations, etc.) providing an owner with information on cost and potential outcome of major surgical and medical procedures often aids in the decision-making process. Research is therefore required to develop predictive indicators which determine when major surgical or medical intervention is indicated. Research is also required to predict post-surgical performance of horses. Certain diseases of the horse require rapid and accurate diagnosis, if treatment is to be effective and cost efficient. "Colic" is a good example. It is important to quickly establish the specific nature of a case of colic so that a decision between medical treatment and surgical treatment can be made early in the course of the disease. A newer method used to evaluate diagnostic tests is the calculation of predictive values. Predictive values can be calculated for the various clinical and laboratory tests to determine their diagnostic value for a particular disease. By comparing predictive values, the costly tests that are of little diagnostic value can be avoided and the "best" set of tests for a specific disease can be selected. A study of horses with colic, conducted over a two- to three-year period, could provide the data on which to develop predictive values for this group of diseases in the horse. The model established for colic can be extended to other sets of diseases that create particularly difficult diagnostic decisions for clinicians. Long-term studies of this sort will improve the accuracy, efficiency, and cost-effectiveness of diagnosis and treatment of diseases of the horse. Studies of this nature will be supported by the diagnostic laboratory of the Atlantic Veterinary College.

d. Respiratory Diseases in horses: There are no definite figures available as to the current incidence of respiratory disease in horses in Canada. A survey carried out by the British Equine Veterinary Association in 1963 demonstrated that 10.3 percent of all horses attended by veterinarians suffered from a respiratory complaint. It is likely that the figure is even higher in Canada. Respiratory diseases in horses of all ages and breeds continue to plague the industry. Foal pneumonias, both viral and bacterial, account for major neonatal losses. Weanlings, yearlings, and adult racehorses are subject to upper respiratory viruses which at best produce no lasting effects, but are highly contagious and may in many individuals have detrimental consequences for performance. Conditions of the throat and associated structures are of economic importance in the racehorse. Chronic obstructive lung disease (COPD, heaves) seems to have been around since the beginning of equine history, and though some clues have been uncovered, we are still far from solving the puzzle of its causation and consequently determining the best methods for prevention. It should be noted that a research group focusing on structural and functional aspects of respiratory disease in the various species is being assembled, through recruiting, in one of the basic science departments of the Atlantic Veterinary College.

e. Cardiopulmonary and Musculoskeletal Aspects of Performance Physiology: In addition to protection against disease processes, the performing horse must be assessed with respect to performance capability, and subjected to optimal regimens for training. Much remains to be discovered in the area now described as "equine sports medicine". In particular, reliably measured indices of performance capability and responsiveness to training must be developed. With such indices available, more precise decision-making can be provided, with limitation of investment in less promising animals, and optimizing of training in more promising animals. Technology is available for physiologic, biochemical, and metabolic evaluation of performance potential and training response. The Atlantic Veterinary College is assembling faculty expertise and research resources suitable for contribution to the improvement of the industry in the area of performance evaluation and development.

f. Epidemiologic Studies, and Data Base for Improved Programs in Health Management and Disease Prevention: In addition to the need for baseline studies to determine where the industry currently is in terms of health and production, ongoing systems of monitoring performance could be established in the

College. The structure of such a system is already in place within the AVC to serve the livestock industries and it could be extended to serve the equine industry as well. Data from such a system can be integrated into well designed epidemiologic studies into factors influencing production such as genetics, nutrition, and health. Faculty expertise in the design and conduct of such studies is already in place at the College.

APPENDIX H

CANADIAN TROTTING ASSOCIATION

Canadian Trotting Association

233 EVANS AVENUE
TORONTO, ONTARIO. M8Z 1J6
(Area Code 416) 252-3565

November 27, 1986

Dr. Wendell Grasse,
Secretary,
P.E.I. Horse Industry Task Force,
P.O. Box 1600,
Charlottetown, P.E.I.
C1A 7N3

Dear Dr. Grasse:

It is a pleasure to respond to your letter inviting submissions on the future of harness racing in P.E.I. In compiling our response we have tried to point out how the Canadian Trotting Association could assist in the growth and development of harness racing in the Maritimes and particularly Prince Edward Island.

To more effectively illustrate our point, we have decided to focus on the following dimensions:

1.) perceived trends in harness racing in P.E.I.
2.) the services of the Canadian Trotting Association
3.) recommendations for future action

HARNESS RACING IN THE MARITIMES

THE 1985 REFERENDUM

As you are probably well aware, the Canadian Trotting Association has been quite active in the Maritimes and Prince Edward Island over the past two years. This level of activity peaked in December, 1985, when a referendum was held to determine whether or not

Maritime horsemen wished to become part of the Canadian Trotting Association. To recap the results of this poll:

HORSEMEN'S VOTE

2,705 ballots were sent out:
1,249 were returned (45% return rate)
426 voted to join CTA (35%)
795 voted to remain with USTA (65%)
28 ballots were spoiled

TRACK VOTE

Out of 8 tracks:
5 voted in favor of CTA
2 voted against CTA
1 abstained

Overall results were not conclusive either for or against the Maritimers joining the Canadian Trotting Association. There appeared to be a split when examining the preferences of horsemen versus tracks. In our view, this schism has not been resolved.

WHAT WE LEARNED

Throughout the summer of 1985 various representatives of the Canadian Trotting Association, including myself and Mr. John G. Hayes, spent a lot of time in the Maritimes. In fact, Mr. Hayes visited every track and talked to many horsemen. Based on this background of information obtained via both formal and informal sources, we were able to formulate some impressions about harness racing in the Maritimes. For the purpose of this presentation we limit our observations to Prince Edward Island.

1.) P.E.I. develops many excellent horsemen
2.) many of the capital investments have already been made for both the racing and breeding of horses on the island
3.) there are too many racing dates
4.) there is a lack of direction and overall guidance in assignment of racing dates
5.) purse structures offer little incentive for horsemen to continue racing
6.) the flow of race information is slow from track to track

7.) tracks and horsemen are using antiquated, sometimes referred to as "pen and quill" methods of collecting and recording harness racing information
8.) there is a lack of an integrated marketing focus for harness racing
9.) the quality of race officiating is poor and often inconsistent resulting in a great source of racing patron disillusionment
10.) there is an absence of structured formats for the timely and appropriate hearing of appeals
11.) a need exists for some form of governmental incentives to boost Maritime breeding
12.) the breeding industry requires overall direction
13.) there is a need for a strong unified national representation for horsemen on matters of common concern such as revision to tax laws etc.
14.) sales catalogue information should be more carefully gathered and compiled
15.) a greater level of cohesiveness among horsemen, tracks and Maritime provinces in general is desirable

SERVICES OF THE CANADIAN TROTTING ASSOCIATION

It is strongly felt that many of the above problems would be met head on and addressed more effectively if a strong national body such as the Canadian Trotting Association were given a mandate to operate in the Maritimes.

An examination of the features and benefits of the Canadian Trotting Association should further illustrate our point.

Let's first of all consider what CTA would mean to the horsemen:

Horsemen

☐ the CTA insurance program (for drivers, trainers, grooms & officials)
☐ same day authorization of first time starters
☐ electronic eligibility
☐ no fee increases in foreseeable future
☐ CTA field representatives
☐ communication system (sulky express)
☐ on-line computer capability - great for income tax, claiming horses or studying race results

- ☐ CTA rules
- ☐ regular appeals at local level
- ☐ representation on key CTA committees such as finance, insurance, rules, licensing
- ☐ representation on the Executive Committee - the management arm of CTA
- ☐ TROT Magazine - free
- ☐ members who speak French will be able to process applications in French
- ☐ stakes support program
- ☐ new owners seminars
- ☐ special promotions at sales, race tracks and fairs
- ☐ toll-free 800 number to head office
- ☐ strong aggressive management and leadership
- ☐ strong voice in lobby to Federal Government
- ☐ opportunity to participate in national judges pool when established

And They Save:

- ☐ on long distance phone calls and other correspondence costs (i.e. postage)
- ☐ cost of insurance
- ☐ cost associated with lost or forgotten eligibilities
- ☐ cost of processing application and registration forms

Now let's look at the tracks:

Tracks

- ☐ CTA insurance programs
- ☐ CTA marketing programs to assist in increasing attendance and pari-mutuel handles at the track
- ☐ new owners seminars
- ☐ representation on the local and national level
- ☐ representation on the Executive Committee
- ☐ on-line computer capabilities - great for exchanging sires stakes information etc.
- ☐ "sulky express" for sending messages between tracks
- ☐ terminals for race office - no charge
- ☐ camera ready art for program printing
- ☐ accurate - up-to-date programs for patrons at tracks
- ☐ national judges pool - when established

☐ the best racing secretaries package in the world!
☐ free training for race secretaries
☐ well trained CTA field representatives
☐ no fee increases in foreseeable future
☐ regular appeals conducted at local level
☐ paper and computer supplies for race office at no cost
☐ unlimited usage of lines to CTA main computer
☐ horsemen's bookkeeping system
☐ a voice in strong national lobby to Ottawa
☐ a strong, well managed, financially sound organization
☐ equipment purchase and maintenance costs

And They Save:

☐ on telephone costs 25-40 % related to program information
☐ manpower costs
☐ program printing
☐ horsemen's insurance costs

And They Have:

☐ happy horsemen
☐ pleased patrons
☐ and more money to promote the sport of harness racing

Recommendations

We make our recommendations fully aware that the people best qualified to determine the future of harness racing in P.E.I. are those who live and work there. They are the ones who must make it happen.

Firstly, we recommend that your task force include among your conclusions and recommendations that the CTA/USTA matter be reopened and examined again. The purpose of this action should be to ensure that all segments of the harness racing industry clearly understand the features and benefits of each system.

Our second recommendation relates specifically to the breeding of harness horses on the island. P.E.I. could become an incubator for harness horses for Canada and perhaps North America. The potential of this concept should be examined in detail by the appropriate bodies and authorities in Prince Edward Island.

Conclusion:

The Canadian Trotting Association has appreciated this chance to express its views. We look forward to assisting harness racing in P.E.I. in any way possible.

Yours very truly,

CANADIAN TROTTING ASSOCIATION

Herb Shannon

Herb Shannon
Executive Vice-President
and General Manager

HS/pkh

APPENDIX K

TOURISM INDUSTRY ASSOCIATION OF P.E.I.

TIAPEI

TOURISM INDUSTRY ASSOCIATION OF PRINCE EDWARD ISLAND
P.O. BOX 2050, CHARLOTTETOWN, P.E.I.
C1A 7N7
TELEPHONE:(902) 566-5008

November 24, 1986

P.E.I. Horse Industry Task Force
P.O. Box 1600
Charlottetown, P.E.I.
C1A 7N3

Attention: Wendell Grasse D.V.M.

Dear Dr. Grasse:

On behalf of the Tourism Industry Association of Prince Edward Island I would like to extend our appreciation to the P.E.I. Horse Industry Task Force for the opportunity to present our concerns into the Horse Industry on Prince Edward Island. Although we do not propose to have a complete view of all the problems facing the industry nor do we attempt to propose recommendations to eliminate these problems, we would be some what remiss if we did not respond to an industry that has a great impact on the tourism industry on P.E.I.. Needless to say, the tourism industry benefits to a great extent from such major events as " Old Home Week" and "Lobster Carnival", as well as, other fairs and special race events held during the year. The tourism industry on Prince Edward Island reaches its peak during the months of July and August and we must strive to take advantage of every situation that will attract more people to our province during this period. It is also the aim of T.I.A.P.E.I. and the Department of Tourism & Parks to make every effort to extend our tourist season in the shoulder season during the fall and winter months.

With the idea of the possible construction of the 1991 Winter Games Complex near the site of the Charlottetown Driving Park, in the future we can forecast some very beneficial joint ventures on behalf of the City of Charlottetown and the Charlottetown Driving Park which could generate substantial tourism dollars year round.

The Tourism Industry Association of Prince Edward Island has approximately 700 members. As tourist operators, we are very conscious of the fact that the days of operation of a business is vital in order to be successful. The industry of horse racing relies mainly on the recreational and leisure dollars available as well as the influx of tourists in the summer season. Tourism operators must rely on each other to offer attractions and accommodations that will continue to maintain and increase this flow. With this in mind, the Tourism Industry Association of Prince Edward Island would suggest to the Task Force that one major area in the standardbred industry to be considered for improvement is the days of operation at the Charlottetown and Summerside tracks.

We realize that the Charlottetown Driving Park has attempted in the past to obtain weekend race dates in the winter months especially the Sunday dates. We are also aware of the fact that both Charlottetown and Summerside tracks are forced to close their operations for almost two weeks in July and August respectively which is in the peak tourist season. This latter idea seems somewhat ludicrious considering the number of tourists on P.E.I. at this time and the possible potential of attracting more people, especially people interested in harness racing and fairs.

As indicated in a copy of a letter enclosed dated January 21, 1983 the Tourism Industry Association of Prince Edward Island has indicated their support to the Charlottetown Driving Park for Sunday racing on P.E.I..

In support of this additional data the following points are presented for your consideration:

1. Strong support and requests from patrons, tourism and business operators, horsemen and visiting tourists to P.E.I. have indicated a need for another weekend race date for harness racing.

2. Sunday racing would be financially beneficial to all concerned (ie. tourism operators, race track associations, governments (both Federal and Provincial) , horse owners, drivers, trainers, etc).

3. Increased wagering and purses would result in retaining a greater number of Island horses and horsemen as well as patrons who presently travel on weekends to the mainland tracks. This results in Island dollars being transferred to other areas which could be retained on Prince Edward Island.

4. Most other sports are held on Sunday and harness racing should not be an exception Race programs must be held after religious services so as not to interfere with the religious aspect of Sunday. The track associations should promote Sunday racing as family days, providing an outlet of entertainment for the whole family. Presently, there are a great number of people interested in the sport who because of commitments from Monday to Saturday, can not attend. They should respond to Sunday racing thus attracting new fans to harness. Fans could enjoy the rest and relaxation in viewing this very popular sport on P.E.I..

5. The prime time for harness racing on P.E.I. is Saturdays and Sundays. At present because of restricted weekend racing, the parti-mutuel tracks on Prince Edward Island - Charlottetown and Summerside, have been involved in various disputes over race dates. Sunday racing would eliminate alot of these disuptes giving each track a prime race date each week year round.

6. The province of P.E.I. allows matinee racing on Sundays, also there are no restrictions on Bingo and Lotteries such as A-Plus, Sports Pool, etc.. Therefore there exists in P.E.I. on Sundays the racing aspect of the sport and also the wagering aspect in such Lotteries and Bingo's. Pari-mutuel betting is defined as "a system of betting in which those with winning bets share the total stakes minus a percentage for the management". A-Plus, 649, Sports Pool, Bingo's, etc. are held with the same concept in which the winner does not take all the pool; therfore, are pari-mutuels any different?

7. Presently, all provinces in Canda, with the exception of Prince Edward Island, Saskatchewan, and New Brunswick permit Sunday racing and at present New Brunswick is reviewing the Sunday racing prohibition. In order for P.E.I. track associations and the tourism industry to be competitive during the weekends in this field, Sunday race meets are a must.

8. One of the most prestigious races in Eastern Canada is presently held in P.E.I. on Saturday night. If due to unforeseen circumstances such as electrical failure, severe storm, etc., the Evening Patriot Gold Cup and Saucer could be faced with cancellation. Failure to hold this event could lead to a major disappointment to tourists and could effect the large number of tourists flowing into the Province for years to come. Sunday races would allow a shift to a Sunday card for the Gold Cup and Saucer if circumstances warranted such a move. This type of situation occurred in the Governor's Plate in Summerside in 1983 forcing a move of the race to Saturday. Fortunately, they were able to stage their race on Saturday but could have been forced to a Sunday move if weather conditions had not improved.

9. Old Home Week, due to pressures from tourism operators and for our mutuel benefits, was moved in 1985 and will always be held in the August week containing the 15th of the month. The tourism operators will find that by permitting Sunday racing on P.E.I. at either track, there will be a tendancy to hold tourist on P.E.I. for an extended period. Tourists will attend the race cards on P.E.I. on the weekends in Charlottetown and Summerside rather than rushing off Island on Fridays to attend races in Saint John, Sydney, Truro, Moncton, etc..

10. If tourists can be retained longer, new tourist and patrons can be attracted to the sport; track associations, tourism operators and related industries would increase employment opportunities for islanders.

The majority of tourism related operations on P.E.I. rely on weekend business to remain viable and racing operations are in a similar situation. Indeed if all tourist operations were requried to close on weekends, the industry would collapse entirely.

In closing, I would like to extend my thanks on behalf of T.I.A.P.E.I. for this opportunity and trust that our input will be of some benefit to asist in decisions being made for improvements to the horse industry of P.E.I.

Yours truly,

Jim Larkin
General Manager

/amh
Enclosure

APPENDIX L

HILLSBORO TROTTING CLUB

BRIEF SUBMITTED
to
THE MINISTERIAL TASK FORCE
into
THE HORSE INDUSTRY ON PRINCE EDWARD ISLAND

NOVEMBER, 1986

Presented by
The Charlottetown Driving Park and Provincial Exhibition Association
and
The Hillsboro Trotting Club Inc.

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I HISTORICAL BACKGROUND

Although Prince Edward Island had more than a dozen racetracks up until 1890, the first racetrack in Charlottetown opened in October 1890. However, the purse schedule, extending to $400 in the 1940's, has not changed greatly over the ensuring years. In fact, even in 1986, the average purse schedule is still around $400. Yet, galloping inflation has increased the cost of horse racing by at least 400% in the last thirty years. In the late 1940's trainers kept horses for as little as $15 per week. This figure has increased to $75-85 a week in the 1980's. A survey conducted by H. Lloyd Palmer in a study called "Prince Edward Island Horse Industry, A Study of Development Opportunities" some startling statistics are revealed. This report shows that a standardbred owner invests an average of $3,407 per horse. An additional average of $1,140 per horse is invested on machinery and equipment and $734 per horse on land and buildings. This total inventory investment totals $5,281 per horse. Race winnings amounted to an average of $1,962 per horse. Operating expenses averaged $4,831 per horse. Therefore an owner loses an average $2,869 per horse without any consideration to recovering the initial inventory costs of $5,281 per horse. This means that in 1979 an owner was suffering losses of $8,150 per horse. Applying an inflation factor for the past 7 years these losses are possibly magnified to the range of $9,000-10,000 by 1986.

II INITIAL CONCLUSIONS

From all of this a few conclusions are easily drawn. First, the purse schedule is constant. Second - and probably the most disturbing of all - the cost of living for everyone, including horses, has jumped astronomically in the last thirty years. Third, although the Island's population has not decreased, and even if there is better general prosperity everywhere, yet, ironically enough, the available dollars for attending and wagering at horse races have noticeably decreased. All this means that the whole phenomenon of horse racing on Prince Edward Island is not in a healthy state, a situation which craves attention and redress in tangible form.

III PRINCE EDWARD ISLAND: A RURAL PROVINCE

Prince Edward Island is predominantly a rural province, and Islanders have been born and reared against a backdrop of nature in all of its varied forms. The topography and ecology of this province, its values, traditions, and customs are wonderfully engraved in the hearts and minds and affections of our Island people. Living close to the land, our people have shared the attractive variety which characterizes the unique distinction of being an Islander. Our people have grown up with domestic animals; moreover, they have depended on them for their livelihood. Of course, the favorite among the domestic animals has been and still is the horse. The horse has been the closest companion of all the domestic animals. He has tilled the land, cultivated and harvested our bountiful crops, led families to Sunday worship, taken them to parish entertainments, carried medical aid to the indisposed - in general, the horse has been a noble necessity. The horse has been a symbol of Island living for at least 200 years. It has also been associated with such virtues as strength, speed, and endurance. So, it was not in the least surprising when the horse entered the racing field, where he further endeared himself to those who identified him with the Island's way of life.

IV THE HORSE AND WAGERING

The horse's natural abilities rather naturally led him into the arena of wagering. Wagering, or betting, is a normal human practice. It is connected with man's congenital liking for such things as wonder, speculation, risk-taking, hoping for gain, in nearly every way of life. It is in everyone's blood to try to compensate for what they do not already have. People realize they are defective, have limitations; and, consequently, they strive to make up for this. This is also the whole story behind education, which is the most common and most famous exercise known to man, who strives to compensate for his congenital weaknesses.

So, wagering is a perfectly normal thing - there is nothing surprising about it. We find it in Spain at the bull fights; in China at the cock fights; in England and Europe, in the soccer contests. In our own country, its the reason for bingos, lotteries, card games; it is involved also in car-racing, hockey pools - it is everywhere.

V RECOGNITION

The Charlottetown Driving Park and Provincial Exhibition Association, and the Hillsboro Trotting Club, Inc., wish to thank the Minister of Agriculture, the Honorable Tim Carroll, for graciously agreeing to set up a task force to look into the entire horse industry on Prince Edward Island. The two bodies just mentioned are gratefully pleased to respond to the Minister's invitation to present briefs of concern to the Ministerial task force.

VI CONCERNS AND RECOMMENDATIONS

There are a number of concerns with which the presenters of this brief are genuinely preoccupied. These include:

a) The matter of allocation of racing dates by the P.E.I. Racing Commission.
b) The stipulations of the Day of Rest, as it is presently phrased.
c) The urgent need for re-organization of the P.E.I. Racing and Sports Commission.
d) The competition provided by the Atlantic Lotteries.
e) Increasing cost of operating track facilities and needs for modernization.
f) Insufficient promotion of the standardbred industry on Prince Edward Island.
g) The need for computerization to assist the day to day operations of the Charlottetown Driving Park.

Now let us deal with each of these concerns in some detail.

a) ALLOCATION OF RACE DATES

The racing dates scheduled at both the Charlottetown Driving Park and the Summerside Raceway have been controlled pretty much by custom. They are not founded on any firm economic basis by the Racing Commission. Rather, they seem to be fixed by tradition, and probably by political pressure, or by pressure from horsemen, race tracks, the media, and the public. Presentations made to the Racing Commisssion by the horse owners, drivers and others are usually ignored. Attempts to do something about allocating race dates on the part of these people are not usually entertained by the Racing Commission. Racing dates should be related to the economics of the horse industry. Specifically, they should relate to the best times for horse racing, thus capitalizing on the interest and spending habits of the clientele of racetracks. The control of racing dates by the Racing Commission creates confusion, since, as experience shows that often the Racing Commission behaves in an indifferent manner towards the suggestions, recommendations, and preferences of the race track personnel. It is the considered opinion of those presenting this brief that the racing industry on P.E.I. is a business, and as such it surely deserves more autonomy if it is expected to be a harmonious, productive, and successful venture. Racetracks, just like any other business, have a product to offer, and this product, like all other products, must be available at a time when consumers are looking for it, and are willing to buy it. The tourist industry on P.E.I., for example, operates quite independently of other businesses. True, like the horse racing industry, tourism is controlled by government; however, tourist entrepreneurs enjoy maximum freedom with respect to the development and expansion of their business enterprises. Government never dictates to the tourist operator how many cottages he may build, or how large his hotels must be, or how much advertising he may do, or when he may or may not operate. However, the horse racing industry must respond to the stipulations governing horse racing dates, among other things, which are prescribed by the Racing Commission, which is a servant of government.

Relations existing between the Charlottetown Driving Park and the Summerside Raceway are by no means harmonious. Each track divorces itself from its counterpart. Moreover, it is generally acknowledged that the Charlottetown Driving Park, a "B" classified racetrack, is denied the liberty of functioning as a free enterprise. This is due in no small measure to the fact that the Summerside Raceway, a "C" classified track, is apparently usually protected by the Racing Commission. As someone described it, "Summerside gets whatever it wants every time." Let it not for a moment be interpreted, however, that Charlottetown horsemen want Summerside horsemen to be denied the right to operate their own operation. The Charlottetown Driving Park, Summerside Raceway, along with the matinee tracks at St. Peters, Pinette, Montague, Souris, Tyne Valley and Alberton have valuable and traditional roles to play in the entire horse racing industry on P.E.I.

We feel that the entire racing industry on Prince Edward Island awaits thorough investigation. The timing and allocation of racing events in both Charlottetown and Summerside is critical. Moreover, much needed innovations such as weekend afternoon race dates in the Spring, Fall, and Winter, as well as more attention to the prime tourist season of July/August — These are worthy of serious attention and action. It has been proven that weekend race cards are much more lucrative than week day races. Weekend racing in the rest of Canada, as well as all over the United States, reveals that it is enormously successful from every point of view. At the moment, Charlottetown does not have weekend cards from December through May. Likewise, Summerside does not have weekend races from May through November.

There appears to be very little, if any inter-relationship between patrons, horsemen or horses between both tracks. Indeed there is more of an effect between the two Island tracks with tracks in Nova Socita and New Brunswick. The present structure of date allocation has led to frustrations among track operators, horsemen and patrons and to a deteriorating relationship between horsemen, patrons and operators of the Charlottetown and Summerside tracks. This dissension with race dates has allowed the media the opportunity to present the total race industry as a somewhat chaotic industry to the general public and to use the annual event of race date allocation to re-kindle the long standing rivalry between Charlottetown and Summerside.

The one main reason for race dates, (i.e. the economics of the harness racing industry) is the basic foundation on which allocation of such dates should be made.

As mentioned earlier week-end race cards can be much more lucrative than week-day cards The week-end race card is popular throughout the year yet the timing of afternoon and evening races and the proper week-end dates fluctuate with the seasons. Holiday race cards are also very popular yet under the present system there is a great injustice in the fact that 5 of the 7 holiday cards are awarded to Summerside Raceway.

Any business must strive to maximize its profits. However during the peak tourist season every year on P.E.I. (i.e. July and August) both tracks are forced to close their doors to a potentially large source of revenue (i.e. the tourism dollar). Surely, both track operations can benefit from this major influx of people to the Island and attempts should be made to ensure that such benefits are available to the total industry.

b) DAY OF REST ACT - SUNDAY RACE DATES

Before any recommendation can be proposed for the proper allocation of race dates, the second area of concern in this submission must be presented. The present Day of Rest Act prohibits pari-mutuel betting on Sundays on P.E.I.

Sunday racing has proven popular with the general public in almost every circumstance where it was initiated and proven the best day in terms of wager and attendance. Sunday racing is universally popular. In this connection, one has only to refer casually to the marked success of Sunday horse racing throughout Nova Scotia, Quebec, Ontario and mosts parts of Canada and the United States. Horse racing, like other leisure occupations, such as golf, hockey, curling, movies and car racing is keenly competing for the recreational dollar on Prince Edward Island. In order to be competitive, the industry must be allowed to operate directly against its competition. Horse racing, also competes for the gambling dollar such as dollars wagered on lotteries, bingos and other racetracks. Again, to remain competitive, the industry must be allowed to operate directly against its competition.

Harness racing is a highly competitive industry and a major industry and will always be so. It can not continue to be restricted in its activity to the benefit of its competition.

As an appendix to this submission, two articles are included for further reference to the concept of Sunday harness racing.

1. "A Study of Sunday Racing" by the Harness Tracks of America Inc.
2. "Sunday Racing for Nova Scotia," a submission presented on behalf of the Halifax County Horse Owners Association to Honorable Allan Sullivan, Attorney General for Nova Scotia in 1973.

RECOMMENDATIONS

Various recommendations can be offered in order to establish proper date allocations between tracks.

One such recommendation is to allow the race track operators and horsemen to decide what is the best scenario for race dates within the industry and the role and place each operation has in the industry.

This "open season" idea could possibly cause some disharmony in the early stages but would establish a hierarchy in the industry with a place for everyone and everyone in their place. This concept would allow the P.E.I. tracks to remain more competitive with mainland tracks and to upgrade the level of the P.E.I. standardbred industry in the Maritimes. It would also place the operations of the standardbred industry on the same level as other industries on P.E.I., which are allowed to operate as free entreprises.

A second recommendation is based upon the idea that a commission is retained to play a role in date allocations. Such a commission must be an independent non-political body similar to the present Public Utilities Commission. Such a commission must focus on the facts and economics of the industry. A track operation which continues to maintain a higher level of activities such as pari-mutuel handle, race purses, calibre of horses and employment can not be allowed to remain stagnate, or regress because of a commissions attempt at protectionism of another track operation.

RECOMMENDATION

It is recommended that the present P.E.I. Day of Rest Act be amended at the next session of the Provincial Assembly. Such an amendment would be to rescind section 3(e) of the act which prohibits pari-mutuel wagering. A further amendment is required to the P.E.I. Racing and Sports Commission Regulations to permit the issuance of racing dates and pari-mutuel betting on Sunday in the province of P.E.I.

Such amendments would allow the standardbred industry to make substantial progress in remaining competitive with other activities searching for the leisure dollar and place the industry in the same level as lotteries and bingos in the public mind. Such actions will only serve to strengthen the standardbred industry and provide greater returns for both horsemen and track operations. Furthermore, with the issuance of another week-end race card, much of the controversy surrounding the present date allocations can be eliminated.

c) REORGANIZATION OF P.E.I. RACING AND SPORTS COMMISSION

We feel that some kind of balance has to be established between political accountability and independence, to the extent that more freedom in decision-making could be enjoyed by the horsemen, while at the same time considering seriously whatever stipulations an independent commission might suggest. An independent commission would act as a forum for decision-making, removed from partisan influence. Of course, even with the setting up of an independent commission, government's responsibility does not thereby cease. Government is to assure that the independent commission receives adequate financial support; that qualified people are appointed to run the commission; and that the legislation it is asked to apply is the very best that can be devised. However, the Charlottetown Racetrack and the P.E.I. Standardbred Horsemen's Association are opposed to expedient interference by overly interested and even ostensibly sympathetic political agencies. We recognize that an independent commission might, naturally, meet with some problems at first. But this is true for anything that is new, different, and non-traditional. Witness, for example, the initial reaction to the centralizing of power following the amalgamation of the schools on Prince Edward Island. Everything that is new is at first opposed, then eventually accepted. Personal and group adjustments to any new situation are normally achieved when reactionaries understand the wisdom of the newly arrived system. An independent commission vested with the authority to supervise the horse racing industry on P.E.I. would, in our considered opinion, establish a healthy hierarchy in the industry, which would be at once a vettor of opinion, an arbitrator, judge, and jury, guaranteeing everyone a voice in the development of the horse industry on P.E.I. Also ensuing from the birth of an independent commission would be a livelier, more confident, and much more effective competitive spirit. The race industry on P.E.I. would become much more competitive with mainland tracks. Most important of all, we sincerely feel that the new era in horse racing on P.E.I. - following the establishing of an independent commission - would upgrade significantly the standardbred horse industry throughout P.E.I. and elsewhere in the maritime provinces.

The initial function of the P.E.I. Horse Racing and Sports is to regulate just and reasonable rates of treatment in accordance with the act and regulations. A second responsibility is to promote the interest of the industry it regulates. Regulatory actions, taken by the present commission in areas involving the awarding of race dates, which are constantly in dispute, not only impairs relationships between the Charlottetown and Summerside tracks and the regional horsemen's associations but also underminds the whole industry on P.E.I. The fact that the present commission adopts a "hands off" approach to many activities at the tracks and makes very little, if any, attempt to become better acquainted and educated as to the problems existing in the industry further serves to cause confusion and deminishing relationships with track operators, horsemen and the track patron. There presently exists, a great deal of confusion in the standardbred industry due to the lack of adequate performance by the Racing and Sports Commission. Lines of communication, areas of responsibility, the function of various employees and commission members, the role of the commission, the role of the racetracks and horsemen and the rules existing at both tracks under the commission's jurisdiction continue to be a mystery to many. Much of this confusion has resulted from the commission's half hearted attempt at getting involved and indifference on behalf of the government to the total industry.

Our concept of the role of a commission responsible for the whole of the P.E.I. standardbred industry is, as one, in which those placed in this position must be well informed as to the needs of the industry and capable of making recommendations and enforcing the acts and regulations from influence by track operators, horsemen and government. Such enforcement and recommendations must be based on sound reasoning and information, not merely personal opinions.

The Palmer report outlines the same concept as follows, "Competent individuals should be named as members of the commission. . . . The commission, in addition to enforcing the rules and proper conduct of racing, would be the official body through which the industry would deal in making requests to government for the betterment of the industry."

It is generally felt by those involved in the standardbred industry that the P.E.I. government, the tracks and horsemen's associations must make a concentrated effort to re-organize the present commission to recognize the breeding and racing of standardbred horses for what it is - an industry. The very name and concept of the "P.E.I. Racing and Sports Commission" administered through The Department of Community and Cultural Affairs tends to place the industry as a sport. It is much more than a sport.

RECOMMENDATION

Given the need for an independent regulatory body the Charlottetown Driving Park recommends that legislation now governing the industry; "The P.E.I. Racing and Sports Commission Act" be rescinded and replaced with new legislation which applies to the standardbred industry only.

A new P.E.I. standardbred commission would be established under legislation that would ensure its independence (i.e. a quasi-judical body) which will govern, direct, control and regulate the standardbred industry on P.E.I. It will have the responsibility to recommend on the formulation of regulations to the Lieutenant Governor in council. This commission should report to the Legislative Assembly through the Minister of Agriculture. The commission, in addition to those powers now listed in the act, should be charged with the responsibility to recommend changes to the legislation. Appointments to this commission should be representative of all of P.E.I. Appointments should also be based on expertise in the standardbred industry and on related industries with abilities to regulate, develop, promote and enhance the industry. The commission should be responsible for decisions based on sound information and such information and decisions should be documented.

The act should contain the rights of appeal not only to the commission but to the courts. It is strongly recommended that such a commission should be independent similar to the Public Utilities Commission or the Liquor Board Commission and receive proper financial support. The commission must be prepared to take a complete "hands on" approach to ensure proper policing and enforcement of all rules and regulations.

In order to ensure a smooth transaction in such a reorganization it is further recommended that a joint committee be established from government, horsemen's associations and race tracks for further recommendations.

d) LOTTERIES - THEIR EFFECT ON THE STANDARDBRED INDUSTRY

Although it is impossible to determine, with a great degree of accuracy, the effect which the government operated lotteries have had on the pari-mutuel wager at the racetracks, it would be irrational for anyone to assume that there is no effect at all.

Lotteries which invaded Prince Edward Island in 1976, are a high-profit generating system which has a marked affect on the spending patterns of the people. Lotteries diminish the financial resources available for wagering at horse races.

During the five year period before the introduction of Atlantic Lottery Corporation, the pari-mutuel wager at P.E.I. tracks increased from $1,900,250 in 1970 to $4,728,094 in 1975. During the past ten years, a period in which tracks were competing with the lotteries, the total wager has increased to a much lesser extent to $5,064,750 by 1980 and $5,712,894 by 1985.

On the other hand, the sales of lottery tickets on P.E.I. in 1976 was $776,000 and has increased to $8,183,000 by 1985. Clearly and on a comparative basis, wagering income in the 10 year period 1976-1985, has been noticeably eclipsed by the total lottery sales.

It is helpful to contrast the two phenomena: horse racing and lotteries. First with respect to employment opportunities, the Atlantic Lottery Corporation system employs only 192 people on a full and part time basis. The Charlottetown Driving Park, alone, employs 200 people directly on a regular basis with as many as 900-1000 deriving employment income from related track operations for an estimated income of over $2,000,000 annually. Further consideration must be focused on the total employment at all the track operations and related activities as well as spin off employment throughout Atlantic Canada. Employment in the standardbred industry surpasses, substantially, employment by the Atlantic Lottery Corporation. The long term possibility of employment in the standardbred industry is assured. The training, breeding and racing of horses is highly labor intensive and can not be computerized to a great degree. Although a large number of highly skilled specialized positions are required in the industry, a considerable number of lower skilled positions are required, thus fulfulling a need of governments to provide employment opportunities for the unskilled population and eliminating possible unemployment or social assistance to this group. Indeed, the government gains, also from the taxation of all this employment.

Second, pari-mutuel wagering at race tracks returns 65% - 80% to the betters, where as, lotteries returns approximately 40%.

Pari-mutuel winnings are invested over and over again on the races on the same night at the same track. This "churning factor," common to gambling is as high as 4 or 5 to 1 at race tracks in one race program. Due to the fact that lotteries feature large pay-outs to only a few people, the number of non-cash prizes awarded, and a return of only 40% of all dollars wagered, lotteries have a very low "churning factor." Example: a $36,000 wager at a racetrack, assuming a 4-1 "churning factor" indicate approximately $9,000 is spent at the track on that particular race program.

By that same comparison, a $36,000 pool in a lottery represents $36,000 spent on that particular lottery with large returns to a few players. These facts show that racetrack returns are a much better stimulant to the general economy of Prince Edward Island than lotteries could ever be, as lotteries tend to limit the circulation of dollars in the economy.

The Atlantic Lottery Corporation was funded on government support in an effort to apply a tax on people, willing to gamble for possible large gains. Lotteries are high profit generating centres and combined with massive advertising compaigns are well above strong competition from the limited resources available to pari-mutuel racetracks. Lottery wins are also not taxed thus depriving the government of additional income.

The standardbred industry, has a lot to offer in the fact that it is an example of first-rate entertainment and a dispensary of income for many people. The industry is automatically an efficient promoter of P.E.I., an assistant to the government in finding employment for people, a means of entertainment and an escape from boredom and other fixations which are typical doorways to crime. It is clear, then, that the horse racing industry on Prince Edward Island deserves promotion and encouragement. In doing this, the Island economy would be greatly enhanced, the horse industry would be improved and the Island's favorite sport could be further developed.

RECOMMENDATION

The government of the province of Prince Edward Island along with the provincial governments in the other Atlantic Provinces should analyze the role of lotteries and their effect on the horse racing industry, and pari-mutuel wagering at racetracks. A program should be initiated, whereby, a percentage of lotteries would be allocated to assist the horse industry in the breeding and racing of race horses and to upgrade standardbred facilities. This percentage would be used to supplement overnight purses, stake programs and breeding incentives. The government of P.E.I. should, through consulation with the governments in Nova Scotia and New Brunswick, establish a contribution factor to the stakes programs from lottery sales, thereby guaranteeing the continuation of government funding of the stakes programs in future years.

RECOMMENDATION

The government of P.E.I. should continue its present rebate to the P.E.I. ractracks under the pari-mutuel tax agreement with a further rebate of the 1.5% pari-mutuel tax presently collected, to the regional horse owners associations to supplement overnight purses. As mentioned earlier in this submission, the average purse to horsemen has not increased over the past 40 years.

A financial assistance program must be developed immediately in order to curtail the loss of owners, improve the quality of horses and racing, and encourage new owners into the industry.

e) RACETRACK OPERATION - PRESENT AND FUTURE

The costs associated with operating a racetrack operation on P.E.I. and indeed, anywhere in North America are extremely high. Track operators rely, almost, entirely on the dollars wagered to offset the majority of these costs but due to declining or flat wagering trends and ever increasing costs, many operators are forced to cut costs in areas such as race purses to horsemen, employment, limiting renovations to facilities, or in some cases, completely closing their doors. Any facility which serves the public today, especially in the entertainment and recreational field, must ensure that the public has access to a clean, comfortable environment. Such a need was realized by the province of Onatrio and the government recently presented the racing industry with a program called "Racetrack Assistance Program." Under this program, $25 million dollars will be available over a 3 year period on a cost-shared basis to improve racetrack facilities and for promotional purposes. The Ontario government recognizes the competition that exists for the entertainment dollar and wishes to ensure that the public at least considers racetracks as an alternative. One way to make sure people come back a second time is to provide good racing and comfortable facilities.

Good racing requires good horses, good drivers, and good track conditions. Maintenance of racetracks on P.E.I. places a considerable financial burden on track operations. In

Charlottetown alone, the Charlottetown Driving Park spends some $15,000-20,000 a year for track resurfacing with rockdust. As this type of material is not available on P.E.I. and is necessary for good year-round track conditions, rockdust must be purchased and transported from New Brunswick each year. Although material costs are $2.50/ton, an additional cost of $12.00/ton is required to transport the rockdust to P.E.I. Additional costs are required for track maintenance such as grading, snow removal, salt, trenching, etc.

Although some costs can be controlled in track operations, there are costs such as insurance, property taxes, debt servicing, electrical, etc. that are difficult to control to any great degree.

Insurance costs at the Charlottetown Driving Park increased over 100% during the past year. Electrical costs are approximately $100,000 annually. Financial charges have ranged from approximately $150,000 to $250,000 annually over the past five years. The C.D.P. experienced an increase of over 100% in property taxes in a one year period.

Although the present facilities at the Charlottetown Driving Park are adequate, there is always a need for improvements and consideration must be given to future facilities to attract new people to the track and to ensure their return a second time. Good racing, good entertainment and comfortable facilities are some of the best promotions that the industry can provide to guarantee its survival.

RECOMMENDATIONS

The government of the Province of Prince Edward Island consider relief from the present high property taxes assessed on racetracks and relief from taxes levied on entertainment, pari-mutuel equipment and supplies, and track equipment.

A Track Maintenance Program should be established, whereby the government would provide a subsidy to trucking firms to supply rockdust to Island tracks or provide transportation of rockdust by means of barges. Included in this program should be a provision or allowance for the Provincial Department of Highways to supply equipment and services for spreading rockdust, grading, snow removal, etc.

Further consideration should be given to the Racetrack Assistance Program in Ontario which would allow facility up-grading of racetracks as well as develop the industry and create increased employment.

f) PROMOTION OF THE STANDARDBRED INDUSTRY

It is our contention that the horse racing industry on Prince Edward Island needs a great deal of promotion. At the moment, the only form of promotion is that done by radio and press announcements. This is simply announcing - it is not really promoting the industry. It is our opinion, and apparently the objective of the provincial government in setting up this task force, that emphasis be placed on the development of the horse industry on Prince Edward Island. We are completely in agreement with this noble ideal. However, we consider intensive sponsorship and promotion as effective means for realizing this objective. As a beginning, we suggest that a concurrent approach be considered; namely, the promotion of the horse industry, which would be the first step towards the thorough development of the standardbred horse industry on P.E.I. It seems logical, since the horse racing industry is already firmly in place on P.E.I., that a first move would be to stimulate what is already a traditional phenomenon on P.E.I. Once the horse owners, drivers, trainers and everyone else involved in the industry are satisfied with the way things are going, there would then be no dissent whatever about concentrating on the needed improvement of the standardbred horse industry on Prince Edward Island. We fully recognize the need for improving the horse industry in general on P.E.I. However, we also feel that the way to this objective is to improve the horse racing industry along with the development of high quality bred horses. In union, there is strength, and we assure you that if this route is followed, you will have a phalanx of unrelenting support for, and involvement in, the improvement of the standardbred horse industry on Prince Edward Island.

RECOMMENDATION

The standardbred industry on P.E.I. must be vigorously promoted.

It is recommended that a tourism promotion officer be appointed to work directly with racetracks on P.E.I. to promote the entire racing industry, the racing season and especially special events, such as "Old Home Week."

A further recommendation is to appoint a field officer and a program through the Department of Agriculture to promote and market Island bred horses. Programs such as special stakes for Island bred horses or additional subsidies for Island bred winners would be a positive step forward in increasing the breeding and racing of locally bred horses as well as promoting the overall industry.

g) COMPUTERIZATION

Today, in every phase of business, the computer is an essential tool for streamlining and rendering businesses more efficient. The computer assembles instantly, valuable and much needed information respecting business forecasts, trends, and risks. The computer meshes businesses of similar orientation into a network of efficiency and greater productivity. The Charlottetown Driving Park is a major industry and business on P.E.I., contributing continuously to the Island's economy. We feel that its role in the advancement of the Island's commerce would be well intensified if the Charlottetown Driving Park became computerized. Once computerized, the local race industry and standardbred horse developments would certainly show marked improvement. If the computer supported these endeavors, we all would benefit from the availability of information, advertising, and in the buying and selling of improved race stock throughout the Maritime Provinces and elsewhere.

RECOMMENDATION

That the government of Prince Edward Island, along with the governments of Nova Scotia and New Brunswick, conduct a feasibility study into the need for the computerization of the horse industry in the Maritime Provinces.

VII POSSIBLE WEAKNESSES OF THE HORSE RACING INDUSTRY AT THE CHARLOTTETOWN DRIVING PARK

Finally, we would be the first to concede that there could well be problems in the race horse industry on Prince Edward Island. We hear of such flaws as these:

1. Weak officiating at the racetracks.
2. Low purses.
3. Too short of a racing season.
4. A lack of coordinated effort by horsemen, track, and government.
5. Poor promotion by tracks and the media.
6. Increased costs in operating and maintaining the Charlottetown Driving Park.

All of these we recognize as being potentially debilitating forces, which could hinder the development of the entire horse industry on Prince Edward Island. We are greatly concerned about these allegations, and are very eager to redress them.

VIII HORSE RACING ON PRINCE EDWARD ISLAND: A CONTINUOUS SALES PITCH FOR P.E.I.

The Charlottetown Driving Park is the "Kentucky of Canada," the most popular and most famous racetrack east of Montreal. It is an effective promoter of Prince Edward Island, a stimulator of the Island's economy, and a pleasant place to renew acquaintances.

IX CONFIDENCE AND TRUST

We commend to the wisdom and expertise of the Ministerial task force, the concerns we have itemized in this brief. We present our views with candor and loyalty. We have implicit faith in your personal and collective interest and pride in our Island Province, and therefore in one of the Island's oldest and most popular industries. Our concerns are real and justified and require immediate attention in order to stimulate a struggling tradition and a very important industry to the economic well-being of Prince Edward Island.

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HARNESS TRACKS OF AMERICA

STUDY OF SUNDAY RACING

The subject of Sunday racing at pari-mutuel tracks is a topic which has been talked about for many years and which has received renewed interest in recent months. The following report is a response to this increased interest and includes the experiences of virtually every harness and thoroughbred track located in the United States and Canada which conducts pari-mutuel racing on Sundays. Harness Tracks of America acknowledges the great cooperation received from these 24 tracks and the state and provincial racing commissions which made this study possible. This display of collective action is a further indication of the developing spirit of ecumenicalism between the standardbred and thoroughbred sports.

Throughout most of the world Sunday has been reserved for the true classics of the sport: the Elite Trot at Solvalla, Sweden and the Prix d'Amerique at Vincennes in France. Some provinces in Canada have also permitted the Sunday sport with Blue Bonnets offering it for the past couple of decades while racing has been conducted at many of the thoroughbred tracks in the West, such as Longacres in Washington, Centennial Turf Club in Colorado, and Turf Paradise in Arizona for many years. County fairs as well also have a long tradition of Sunday racing with or without wagering. Despite these events few races of importance, the non-wagering Hambletonian of 1968 is a notable exception, have been held on Sundays in the United States until the past two years.

Thus the idea is not new nor unusual but rather that it has been avoided for any of a number of reasons by most of the larger metropolitan-area tracks. Competitive pressures are now forcing these tracks to take another look at the situation.

All of the professional sports teams have scheduled Sunday games for many years. At a time when the football season did not begin until the final out was thrown in baseball and the hockey and basketball seasons seldom overlapped the national pastime by more than a few days, harness racing did not have the need to push for Sunday racing nor the inclination to antagonize strong religious lobbies.

In 1963 major league sports (baseball, football, hockey and basketball) consisted of 66 teams operating in 33 metropolitan areas across the United States and Canada. Ten years later, following expansion of the leagues, 90 teams were operating in 40 cities in both countries. This tremendous competition from other sports, coupled with direct date conflicts among competing harness, thoroughbred and, to a lesser extent, dog tracks, has forced many operations to consider Sunday racing.

Added impetus for racing on the Sabbath is the tremendous expansion in the number of days and races in the sport itself. In ten years the number of harness racing days in the United States and Canada nearly doubled from 3,754 to 7,300. The total number of races offered the fans in both countries took a similar jump from 48,237 in 1962 to 88,449 last year. In thoroughbred racing the percentage increases are smaller but nonetheless important. According to figures supplied by reknowned racing economist, David Novick, the running horse sport increased from 45,449 races conducted over 5,203 days in 1963 to 59,416 races run over 6,624 days in 1972.

With year-round racing other than Sundays already a reality in many areas, track managements have thus been forced to look into the remaining opportunities of attracting new fans -- the long-term lifeblood of the industry. Their solution to the dilemma, Sunday racing, also offered the added benefits of increasing total weekly attendance and handle by substituting Sunday for a poor day as well as the possibility of avoiding competition with nearby tracks for at least one day a week.

Windsor Raceway, located across the Detroit River from the Motor City, (which did not have and still does not have Sunday racing) is a good example of this. Although Windsor was not competing against other tracks when it began Sunday racing on February 1, 1970 with 7,575 patrons who wagered $511,619, the picture changed the following year when it operated head and head against Northville Downs near Detroit. The Sunday afternoon programs then became Windsor's only competition-free day of operation. With Northville's added racing and an expanded Detroit thoroughbred season, Windsor's Sunday matinees suffered somewhat with both averages down 10-15% in 1971 from the initial season's Sunday figures.

The 1971/1972 season saw Sunday racing at the Ontario track garner renewed interest with the attendance and wagering records changing a number of times until 12,057 patrons wagered $720,623 on Provincial Cup Day, Sunday, March 19, 1972. The dozen Sunday afternoon cards averaged crowds of 6,657 fans and wagering of $451,075 per program. Windsor officials are well pleased with business on Sundays which now are the second-best days of the week there.

Brandywine Raceway inaugurated Sunday racing during its 1971 meeting when it raced six Sunday evenings. Total business did not increase substantially, however, despite the fact that racing was conducted seven days a week. With the same number of fans and their wagering dollars merely spread over seven operating days the Sunday sport was discontinued after the six nights.

The Delaware Valley track began the 1972 season on a Sunday afternoon and raced Sabbath matinees for six weeks averaging 8,947 at the turnstiles and $633,973 at the mutuel windows on the cards while Mondays were off days. The track returned to Sunday evenings while

Mondays remained dark and saw an upsurge in business. The remaining Sundays then averaged 10,067 fans and $704,655 in handle. As in the case at Windsor, Brandywine management is pleased with Sundays which are now the track's second-best day for both attendance and handle.

The Delaware Park thoroughbred track pioneered Sunday racing in Brandywine's area early in 1971 as a means of avoiding at least one day of direct competition with major tracks in the bordering states of Maryland, New Jersey, and Pennsylvania. The track closed on Tuesdays and immediately 'hit the jackpot' with the Sunday sport. Attendance and handle were up tremendously, including one Sunday's handle of $2,003,391, the track's first $2,000,000 handle in nearly seven years. The worst Sunday of the entire meeting was still more than twice as good as the best Tuesday of the previous session. Business sagged somewhat on Saturdays and Mondays while it increased on Wednesdays, Thursdays, and Fridays.

The success of Sunday racing continued in 1972 when wagering on those days accounted for about 40% of Delaware Park's total wagering for the entire meet.

The most outstanding success in switching a weekday of racing to Sundays was enjoyed at the Hollywood Park thoroughbred meeting earlier this year. The California plant switched its fifth day of racing from Tuesdays to Sundays and broke all wagering records. Average attendance and handle on the latter Sundays soared by 39.8% and 57.7% respectively over the Tuesdays of the previous year. Hollywood did experience a slight drop in per capita wagering indicative of the new fans it attracted.

After testing the waters with Sunday racing, the Inglewood track moved some of its most important attractions -- $125,000 Hollywood Turf Invitational, $150,000 Hollywood Gold Cup, and the $150,000 Hollywood Derby -- from Saturdays to Sundays. The lure of the stakes accelerated patron response to the move with the fifteen Sundays of the meeting averaging $3,934,476 and 39,606 in attendance. By meet's end Sundays had become the best day of the week.

But all tracks which have attempted Sunday racing do not have the same rate of success. Up the coast from Hollywood, the Golden Gate thoroughbred meeting near San Francisco conducted racing on the final six Sundays of its spring meeting with mixed results. Although the handle was up somewhat, the track management feels the increases were not substantial enough to cover the higher labor costs involved. Plans for future Sunday activity at the Bay Area track are indefinite.

Five years earlier at the Bay Meadows thoroughbred meeting, also in Northern California, the Tanforan Charities Foundation attempted to race its charity dates on Sundays with a notable lack of cooperation from the pari-mutuel clerks. The union demanded, and received, triple time for Sabbath work, thus effectively killing the experiment after only one Sunday of racing. Since the foundation netted very little for its initial Sunday efforts, the group chose to run its allotted dates during the week. The Bay Meadows track will try again, however, when they reopen this autumn with Sunday afternoon racing during their thoroughbred meeting.

In 1971 Rockingham Park in Salem, New Hampshire also conducted racing, both harness and runners, on Sundays with large increases in attendance and handle over the previous year's totals. However, in 1972 an amendment to the racing law was enacted requiring community approval for Sunday racing. Voters in the area have since turned down the requested authorization, thus killing Sunday racing at Rockingham.

Although other localities have also expressed disapproval of Sunday racing, the primary hinderance to expansion of the move is directly attributable to wage demands made by track personnel. As Appendix II (pages 16-18) indicates, many of the major courses which conduct Sunday racing are paying premium rates to their workers for this day. The four tracks of the Ontario Jockey Club which race on Sundays are notable exceptions.

Since that organization first began racing on the Sabbath it has taken the position that Sundays are normal days of operation for race tracks. When the pari-mutuel clerks union took exception to the management position and struck Greenwood Raceway over the issue in March, 1970, John J. Mooney, President of The Ontario Jockey Club elaborated on the matter, "This industry, which provides recreation and entertainment for the general public, must do so when the maximum number of people are able, and wish, to enjoy its services, namely on weekends and holidays. It remains our position that persons who voluntarily choose to work in the entertainment and recreation industry must know that Sundays and holidays will be, for them, regular days of work."

Although the strike was settled within two weeks, the most significant aspect of the dispute was the lack of support among the Toronto racegoing public for the strikers' demands and the ease with which the unionists were replaced at the mutuel windows. Attendance for the period of the strike was comparable with that in 1969, while the inexperienced workers the Ontario Jockey Club hired and placed at the mutuel windows with only two hours training also made a respectable showing. Wagering during the strike was off only about ten percent with none of the track's fifty-dollar windows open during the dispute. To add insult to injury, one of the Toronto dailies published a major story during the strike on the "soft jobs" the mutuel clerks had since they could be so easily replaced by neophytes.

Despite the steadfastness of the Ontario Jockey Club most of the tracks which have inaugurated Sunday racing within the past few years have been forced to pay premium rates for that day's work. In reply to the questionnaire on the subject, Windsor, Brandywine and Green Mountain Raceways along with the Fair Grounds and Hollywood Park thoroughbred tracks all reported that Sunday work is paid at premium rates.

Undoubtedly, the question of increased wages for Sundays will be somewhat of a deterrent to the growth of racing on that day. Brandywine's President, W. E. Hansen, in reporting that his track pays a Sunday premium of approximately 20%, added, "The matter of increased pay for Sunday over regular rates is a critical factor. If the increases were sufficient, it would no doubt be desirable to race on Monday rather than Sunday." Hansen also cautioned tracks to settle the issue before racing on Sundays rather than to try and bargain on the matter afterwards or resort to arbitration.

In addition to higher track labor costs a number of tracks have reported that some of their other operating expenses also increase on Sundays. Armored car service, private security guards, and other forms of outside labor typically cost more on Sundays in most areas. Insurance rates can also appreciate for Sunday coverage.

In recognition of these added expenses some states have allocated a larger share of the takeout to their tracks on Sundays. New Hampshire was the first state to make this provision when it increased the takeout percentage on Sundays from 16% to 18% and gave the additional 2% to the tracks. This law has, however, recently been changed with the takeout now at 18% throughout the week; the track retaining the additional 2% for every day of operation.

The Commonwealth of Massachusetts also grants the tracks under its jurisdiction additional income from the takeout on Sundays. Although the track retention is based on a sliding scale varying with the daily mutuel handle the track's share for Sundays is 1% higher at all levels on this scale. This additional 1% received by the tracks is at the expense of the state's share since the total Sunday takeout remains the same as on weekdays.

The additional revenues received from larger Sunday handles apparently wasn't enough for Vermont. While New Hampshire and Massachusetts were granting relief to their tracks for Sunday racing, the state of Vermont raised the Sabbath takeout a full 1% and retained the entire increase. Although Green Mountain Park, Vermont's only pari-mutuel track, did not directly lose by the change, it did lose indirectly since a larger tax bite of necessity decreases the total handle.

Because of similar, and the almost insatiable, tax requirements of other states and the tracks' competitive situation, the future for Sunday racing advocates looks promising. Already 19 of the 29 states which have some form of pari-mutuel wagering in this country (Appendix I, pages 12-15) permit Sunday racing. Two of these have changed their laws to permit racing on the Sabbath within the past six months while two others need only their Governor's signature to approve the change. Three of the most populous Canadian provinces -- Ontario, Quebec, and Manitoba -- also permit Sunday racing while the matter is under study in at least two others.

In Illinois and Michigan the subject of pari-mutuel racing on Sundays has also been discussed. In 1973 the Illinois proposal actually reached the legislature where a quick tally of prospective supporters by the bill's author, Rep. Horace L. Calvo, indicated it would be defeated and he amended the item out of other proposed racing legislation. Calvo commented at the time, "I hope to see it enacted next year. It makes good, common sense. Racing on the Sabbath has been a big success wherever it is permitted. It not only has proven to be of tremendous help to the state, but to the horsemen and track owners, as well." Most of the opposition to Calvo's measure was based on moral reasons.

Although these objections stopped the Illinois measure similar reasons are no longer the main roadblock to Sunday racing. The subject of pari-mutuel racing on the Sabbath which in past years would have been opposed in short order by religious lobbies now meets little resistance on moral grounds. Where it has received flak from churchmen the main concern is that Sunday racing not begin until after religious services have been completed.

Local residents' groups with misgivings about crowds and traffic have replaced religious lobbies in opposing Sunday racing. Earlier this year the opposition of residents near Toronto's Greenwood Raceway forced the Ontario Jockey Club to scrap its plans to race on Sundays in spring and autumn at the track.

A similar outpouring of disapproval came from the more vocal residents of Arcadia, California, when Santa Anita announced plans to race on Sundays. Cooler heads prevailed, though, when the Mayor there conducted a post card poll which indicated 55% of the citizens favored Sabbath racing and plans for the action are now being formulated.

Other opposition has likewise failed to materialize in recent years since legislatures in New York, Pennsylvania, Ohio and Maine have approved Sunday racing in short order. Horsemen who previously opposed the idea have, in recent years, formally gone on record as favoring Sunday racing. Horsemen such as the Western Standardbred Association and various divisions of the Horsemen's Benevolent and Protective Association, which have voted to support the stand, now appreciate the additional purse money inherent in Sunday handles. And a glance at Appendix II (pages 16-18) of this report indicates that most tracks do a substantial amount of their business on Sundays.

But although many of the tracks which have recently initiated the Sunday sport do have the "jump" on the competition in their areas, for at least one day a week, what happens when all tracks present Sunday racing? And what advantages will anyone enjoy after labor expenses and other costs absorb the added profits Sunday racing brings?

Assuming the trend indicated earlier in this report continues and most tracks eventually offer Sunday racing, the lone remaining advantage of the move would be the possibility of attracting new fans to the sport. Prospective patrons who cannot attend the races during the week have, for the most part, responded to Sunday racing at those tracks where it has been introduced. New fans, indicated by a much lower per capita wagering level, have been attracted to those tracks which have the Sunday sport.

Raceway managements, in anticipation of this trend, have made an effort to promote Sundays as "family" or "new fan" days. Brandywine Raceway has scheduled many of its promotions for Sundays in an effort to appeal to new visitors. On Sunday, August 5, the Wilmington oval drew 10,784 fans, many of whom were mothers and daughters attracted by a nominal admission charge and the North American Lady Drivers Championship. Also on Sundays, the track has held the World Father and Son Driving Championship with a reduced admission rate for dads and their sons, the Dancer-Filion Families Driving Tournament, and other promotions.

Blue Bonnets Raceway, which is no newcomer to the Sunday racing scene, for many years has made a special effort to attract new fans by promoting Sundays as family days. Reduced admission fees for women and children as well as concession coupons for the youngsters have helped make Sundays the best day of the week for attendance at the Montreal oval.

Dover Downs, the Fair Grounds thoroughbred track, and Green Mountain Park have all made efforts to increase Sunday patronage by acquainting more racegoers with the sport. The just-completed Hollywood Park thoroughbred meeting which introduced Sunday racing to southern California transferred a number of its most important stakes to Sundays in an effort to promote the day as one of excitement and fun.

It is through the use of just such promotional activities and by stressing the fact that more people can attend racing on Sundays that tracks have been successful with the move. And, except for Rockingham Park which was forced to cancel its Sabbath racing due to opposition of the Salem voters, all tracks which have tried the switch have been at least moderately successful since none have discarded their Sunday programs.

Thus, although labor problems, local opposition and enabling legislation will present roadblocks to Sunday racing in some areas the trend for the near future appears irreversible. Whoever said 'Never On Sunday' sure wasn't talking about racing.

STATUS OF SUNDAY PARI-MUTUEL WAGERING IN CANADA AND THE UNITED STATES

PROVINCE	LEGAL STATUS	OPERATIONAL STATUS
Alberta	Sunday racing is prohibited by law.	- - -
British Columbia	Sunday racing is prohibited by law.	- - -
Manitoba	Sunday racing is permitted by law.	Both harness and thoroughbred racing meets are conducted on Sunday afternoons.
New Brunswick	Sunday racing is currently prohibited by law although the Legislature is reviewing this issue.	- - -
Newfoundland	Sunday racing is prohibited by law.	- - -
Nova Scotia ✓	Sunday racing is currently prohibited by law although legislation is being considered which would remove this ban.	- - -
Ontario ✓	Sunday racing is permitted by law.	Two harness tracks race Sunday afternoons while four others race Sunday evenings. Two thoroughbred tracks race Sunday afternoons.
Quebec ✓	Sunday racing has been permitted by law for many years.	Three harness tracks race Sunday afternoons while three others race Sunday evenings. One thoroughbred track races Sunday afternoons.
Prince Edward Island	Sunday racing is prohibited by law.	- - -
Saskatchewan	Sunday racing is prohibited by law.	- - -

APPENDIX 1

STATUS OF SUNDAY PARI-MUTUEL WAGERING IN CANADA AND THE UNITED STATES

STATE	LEGAL STATUS	OPERATIONAL STATUS
Arizona	Sunday racing is permitted by law.	Four thoroughbred tracks race Sunday afternoons. Six greyhound tracks race Sunday evenings (3 of these also have Sunday matinees).
Arkansas	Sunday racing is prohibited by law.	- - -
California	Sunday racing has been permitted by law since pari-mutuel racing began.	Four thoroughbred tracks race Sunday afternoons.
Colorado	Sunday racing has been permitted by law since 1969. It must conclude by 6:30 p.m.	Thoroughbred tracks race Sunday afternoons.
Delaware	Sunday horse racing is permitted by law.	Two harness tracks race Sunday afternoons while one operates Sunday evenings. Two thoroughbred tracks race Sunday afternoons.
Florida	Sunday racing is prohibited by law.	- - -
Idaho	Sunday racing has been permitted by law since 1969.	Thoroughbred, appaloosa, and quarter horse meetings are conducted Sunday afternoons
Illinois	Sunday racing is prohibited by law.	- - -
Kentucky	Sunday harness and quarter horse racing is permitted by law but must be approved by the state racing commission. Sunday thoroughbred racing is prohibited by law.	One quarter horse meeting is conducted on Sunday afternoons

STATUS OF SUNDAY PARI-MUTUEL WAGERING
IN CANADA AND THE UNITED STATES

STATE	LEGAL STATUS	OPERATIONAL STATUS
Louisiana	Sunday thoroughbred and quarter horse racing has been permitted by law since 1972 but must be approved by the local parish council.	Two thoroughbred tracks race on Sunday afternoons while one other races Sunday evenings. One quarter horse meeting is conducted on Sunday afternoons.
Maine	Sunday racing will be permitted by law effective October 3, 1973.	Track plans not announced.
Maryland	Sunday racing is prohibited by law.	- - -
Massachusetts	Sunday racing has been permitted by law since 1972.	One harness track races Sunday afternoons. One thoroughbred track races Sunday afternoons. Two greyhound tracks race Sunday evenings.
Michigan	Sunday racing is prohibited by law.	- - -
Montana	Sunday racing is permitted by law.	Thoroughbred tracks race Sunday afternoons.
Nebraska	Sunday racing is prohibited by law. Legislation permitting racing on Sunday will be introduced in 1974.	- - -
Nevada	Sunday racing has been permitted by law for 100 years.	One thoroughbred track races Sunday afternoons.
New Hampshire	Sunday racing has been permitted by law since 1971 but must be approved by the local township.	One harness track races Sunday evenings.
New Jersey	Sunday racing is prohibited by law.	- - -

SUNDAY

HARNESS RACING

FOR

NOVA SCOTIA

SUBMISSION TO: THE HONOURABLE ALLAN SULLIVAN
ATTORNEY GENERAL FOR NOVA SCOTIA

SUBMITTED BY: THE HALIFAX COUNTY HORSE OWNERS
ASSOCIATION

The following is a submission on behalf of the Halifax County Horse Owners' Association directed to the Honourable Allan M. Sullivan, Attorney General for the Province of Nova Scotia, with the request the Government grant permission for Sunday pari-mutuel wagering in Nova Scotia.

Specifically the Association named above speaks basically for more than half of all harness race owners in the Province although support for the Sunday racing proposal is widespread and probably unanimous among all owners in the Province. As the largest single body of owners in the Province, and because of its proximity to the seat of Government here, it was thought prudent that this specific body give leadership in this particular pursuit.

While we will endeavour in this memorandum to give statistical and other support to our request we at the outset recognize and acknowledge that changes in legislation effect the broad community of Governments to serve this broader aspect of public interest.

We, as people involved in harness racing, and largely for the love of the sport of itself, unquestionably have a subjective viewpoint. At the same time we realize the Government's assessment must be objective giving thought and consideration to the ramifications of any change in legislation as it effects the widespread community interest. In this

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regard, despite the confines of our own thinking and interest, we have endeavoured to give consideration to this and hopefully the assessment and assumptions that we will make in the foregoing are in some degree directed towards this end.

In a preliminary approach to our task we have with due respect to the Government's interest sought to keep our studies and inquiries both confidential and confined to a small number of people, although we in this regard have solicited input from all segments of the harness race industry in this Province. Further we found that there was universal support for the prospect of Sunday racing.

In that the sport of harness racing in this Province is long and solidly entrenched and publicly known and acknowledged it is perhaps unnecessary for us to examine in detail all aspects of its operation. Further, the Government, through the Nova Scotia Racing Commission and other Governmental agencies to a lesser extent, has its own valid and knowledgeable sources of information. Yet, we will briefly and quickly sketch the role and position of harness racing in this Province at the present time.

There are five track operations in Nova Scotia at this point in time. These are Sackville Downs Limited, at Lower Sackville; The Cape Breton Turf Club at Sydney; The Truro Raceway at Truro, and a limited racing operation at Inverness in Cape Breton. The fifth operation, carried on for more than thirty years by the Halifax Harness Club will this year move the locale of its Winter meets from the Exhibition Grounds in Halifax to Sackville Downs but will carry on its functions as a separate racing entity.

At one time in Nova Scotia and basically until the late 1940's there were small local track

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operations in many towns throughout the Province, including New Glasgow, Amherst, Windsor, North Sydney, Bridgewater, Stellarton and a few other centers. Because of the new economic factors that started to prevail; night racing, the need for more sophisticated track equipment, and the cost to individual horse owners, the smaller track operations dissolved and racing activity and development became centered in the three larger Provincial tracks at Sackville, Truro, Sydney.

This absorption of the smaller tracks in no way diminished interest or participation in the sport by either horsemen or the already established racing public in the many communities throughout the Province. Rather, and this is the opinion shared by all close to the sport, this concentration of effort expanded both the sport and the public interest. In fact, the expansions of these tracks through increased purses, much improved facilities and a more regular racing schedule gave new impetus to the sport which was lagging during the years immediately following World War Two.

All three of the major tracks, Sackville, Truro and Sydney, serve a broad interest in the Nova Scotia harness race community. Any quick review of a racing summary at Sackville Downs for instance would show horses drawn from many separate parts of the Province and beyond including such centers as Bridgewater, Middleton, Windsor, Pugwash, Stewiacke, Yarmouth and the like. The same instance is equally applicable to the other tracks. Sydney, and again for instance, is the home track for horse owners throughout Cape Breton.

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Harness racing in Nova Scotia is not a new sport but one that has enjoyed a popularity and support for more than one hundred years. Much as in the case with Prince Edward Island it is a sport with certain unique characteristics. Unlike many urban centers such as Boston, Toronto, Montreal and the like, the sport has a home grown aspect. The majority of owners are personally involved in every aspect of the sport.

Coal miners in New Waterford, farmers from the Valley centers, and others from many walks of life are typical of the driver-owners that abound on all tracks. While there is a definite professionalism in many aspects of the sport the great majority of owner-drivers are dedicated to the love of the sport itself. This is not an attempt to wax sentimental but rather an accurate assessment of the sport as we know it in Nova Scotia.

The Economic Need for Sunday Racing

We trust the foregoing preamble gives the reader some assessment of the character and profile of sport and its participants in this Province. We come now to the grist of both the need and problems of the future.

Despite the forementioned deep-rooted and widespread interest in the sport by many people from all parts of the Province and from all walks of life, harness racing is a costly sport and one that is becoming increasingly so. The race tracks are themselves commercial operations with the needs and demands of any normal business operation. While this is a submission presented by horsemen it should be said and recognized that much of our success is dependent on successful and well run race track operations. In this regard we have a mutual interest. By and large, and despite certain normal and on-going differences, we feel

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that our track operations in this Province have been substantially improved in recent years and that continuing expansion is both necessary and desirable for the sport as a whole.

While there are many ingredients involved in the provision of a good horse program for both horsemen and the general public there are as we see it three essential elements: good race facilities; amenable facilities for the racing public and thirdly, and of importance to the horseman an equitable return in terms of purse money. All three ingredients are in increasing evidence at Nova Scotia tracks.

We as horse owners, however, as are most people, are beset by an upwards-spiralling of costs. The simple factor of oats has doubled in cost during the past year not to mention other aspects of equipment purchase and horse upkeep.

While we have made excellent progress in recent years in terms of increase in purse monies we are conscious of the fact that we along with our tracks are in many respects in competition with tracks elsewhere, and not only in the Maritime provinces but as far away as New York, Toronto and other such centers. As such it is necessary for us to remain competitive so as to not only keep our horsemen racing here in our home province, and in turn providing good entertainment and recreation for Nova Scotians, but as well to ensure continuing growth for our sport.

In this regard we are aware of the growth of Sunday racing in all parts of North America. Attached you will find a list of States and Provinces which have legalized pari-mutuel betting on Sunday. It is the estimate of the Harness Race Tracks Association of

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America and other authorities that almost all States in the U.S. will have legalized Sunday racing within the next three years.

In almost every instance where it has been initiated, Sunday racing has proven highly popular with the general public. And in almost every instance it has proven to be the best day in terms of both betting and attendance for tracks everywhere. This increase in both dollars and popularity has led to larger revenues for the tracks, increase purse money for the owners and a general improvement in all aspects of harness racing at the centers in question.

If public acceptance of Sunday racing is a key question in this issue, as we suggest it is, we would humbly argue that Sunday racing everywhere has won overwhelming acceptance and this is evidenced in attendance figures at tracks throughout Canada and the United States.

Although harness racing is not a major sport in all Canadian provinces it is increasing its appeal almost everywhere. In Ontario, Quebec and Manitoba Sunday racing has been highly successful and equally acceptable. We also understand the Province of New Brunswick is currently studying the prospect of Sunday racing. While we as horsemen would salute and support this step forward in New Brunswick, we at the same time would, because of the competitive factors be gravely concerned should that province institute Sunday racing and we here be prohibited such an undertaking.

As indicated earlier our own activities with respect to assessing the Sunday racing question has been carried out quietly and on a confined basis, and yet we feel from our own observations that the general public of this Province, and certainly the harness race

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public, would be very much in accord with such a progressive move. Any opposition to the idea we feel would be isolated and possibly minor although vocal. And yet doesn't any proposed change in legislation, and of almost any kind, create some opposition?

Attached you will find an agenda setting out pertinent financial facts as they relate to the current status of harness racing in Nova Scotia. Included in this are the amounts wagered at Nova Scotia tracks, the purses paid, monies paid governments and other such related material.

While it is not of prime consequence to our own subjective viewpoint, we might also respectfully point out that the Province of Nova Scotia will this year realize some $325,000 from harness racing in this province and that by enacting Sunday racing legislation it could aid substantially to that important source of public funds.

With regard to financial statistics there are a few other figures that our of interest. Wagering in Nova Scotia this year will exceed the $10 million level which is up some $4,269,000 from ten years ago. In terms of betting Nova Scotia is the third largest Province in terms of wagering for harness racing following only Quebec and Ontario. The horsemen themselves, with relation to purse money, received some $950,000 this year and monies paid to employees exceeded half a million dollars.

Sir, in closing, we ask for your consideration of this request and again respectfully ask for early attention to this matter. Our body is prepared to meet at any time and preferably at an early date with the Government or any agency of Government it suggests.

Encl.
November 27, 1973

THE RACETRACKS ASSISTANCE PROGRAM

A CONTROLLED INVESTMENT PROGRAM

GUIDELINES

The Racetracks Assistance Program is a controlled investment program by Ontario in racing and reflects the importance of this indigenous resource industry to the Province. More than $25 million will be invested in the racing industry over the next three years.

The Ontario Racing Commission (O.R.C.) will administer the Racetracks Assistance Program (the Program) subject to the authority of the Ministry of Consumer and Commercial Relations.

DURATION OF THE PROGRAM

The Program will be in place for three years. To ensure that the funds invested are employed in the purposes for which they are intended, special terms and conditions will be in effect for ten years from the date of the O.R.C.'s letter of approval.

OBJECTIVES OF THE PROGRAM

The overall mandate of the Racetracks Assistance Program is to increase attendance at Ontario's 21 racetracks by promoting the public's awareness of horse-racing as an attractive, modern entertainment and sport medium and by modernizing racing facilities to reflect the public's changing life-styles and comfort expectations.

The specific objectives expected to be achieved over the next four-year period are:

1. Increase in average daily attendance at all racetracks.

2. Increase in annual amount wagered to one billion dollars on thoroughbred and standardbred horse-racing.

3. Stimulate a 10 per cent increase in full and part-time employment by providing additional job opportunities both within the industry and in the construction and marketing fields.

4. Stimulate regional economies by injecting a total of approximately $42 million through the use of local tender requirements.

5. Provide increased social benefits by improving and enhancing facilities that are used for community events in smaller centres.

6. Improve the quality of racing.

7. Improve and modernize facilities for existing patrons and to attract new patrons.

FISCAL YEAR

Use of the words, "annual" and "year", within the Program refers to the Government of Ontario's fiscal year, which is from April 1 to March 31. Any reference to annual eligibility, project commitment, actual expenditure, etc., in an association's project proposal, business plan, or any other correspondence with the Program, must be used with this time period in mind.

INVESTMENT ELIGIBILITY AND LIMITATIONS

The Racetracks Assistance Program, with an annual budget of $8.6 million, will direct investment into two main categories. The first is marketing and promotion and the second is capital improvement.

The marketing and promotion component is budgeted at 15 per cent of the annual budget. Each association must participate in this program to be eligible for any capital improvement funding, and must maintain its expenditures on marketing and promotion to at least its 1985 level. Failure to maintain the 1985 expenditure level may result either in a loss of eligibility for, or in a deduction from, any capital improvement funding.

The capital improvement component of the Program is designed to direct investment, on a matching basis, into eligible projects that are fan and patron oriented. The amount of investment assistance available to each racing association, after deduction of the Program's administrative costs, is based on that association's percentage share of the 1984 total pari-mutuel handle.

Each association will be advised of its specific investment eligibility in each year of the three-year period. Requests for capital improvement investment assistance will be by application, on an individual project basis. Upon approval by the O.R.C., funding for the specific project will be committed against the association's annual eligible amount. Any funds, which remain unused or uncommitted out of the association's annual eligibility, will revert to the Treasurer of Ontario and will not be available to the association in any future year.

If a project is dependent on assistance, work should not commence and/or goods and services should not be purchased until the O.R.C.'s letter of approval has been received. Projects started before acknowledgement of assistance may be ineligible for assistance.

Investment assistance will only be provided for approved marketing and capital improvement projects and must be used only for the purposes spelled out in the original application and the letter of approval from the O.R.C.

Allocation of funding will be based on the priorities of the O.R.C. and the Ministry. Approval will not be automatic solely on the basis of meeting the general criteria.

THREE-YEAR BUSINESS PLAN

The Racetracks Assistance Program is a controlled investment program into the Ontario racing industry. On that basis, each association requesting assistance under the Program will develop and submit a three-year business plan (Plan) that illustrates the economic and operational viability of undertaking the proposed investments. The business plan will also indicate how the implementation of the proposed investments, on a cumulative basis, will contribute to achieving the "Objectives of the Program" annually over the next four-year period.

The business plan will specifically address the following:

A. Background

Discussion of the economic and regional environmental factors surrounding the racetrack. This would include:

Size of the population, type of labour force and the drawing power on present patrons;

Other regional competitive forms of entertainment that may influence patron drawing power;

Past business experience, annually, since January 1, 1980, including history of attendance, wagering, handle and any other significant economic factors.

Degree of commitment of the community, as a whole and as eventual users, to support and make use of the association's facilities;

Any other constraining factors influencing the association.

B. Plan for Project Proposals

The purpose of the Plan is to demonstrate that due business prudence is utilized by the association in planning and assigning priority to those capital improvement projects that will contribute to the economic viability of the racetrack, that are necessary to modernize and upgrade present patron-oriented facilities and that will assist in achieving the objectives of the program.

Schedule 1, attached, will summarize the association's "Three-Year Plan for Capital Improvement Projects under the Racetracks Assistance Program".

Project

Each proposed project on the schedule must be assigned a priority number and ranked in order of importance to the association. This will also include projects which have been approved on an interim basis by the Program. For each project listed, a detailed explanation must be attached and will be similar in format to the "Application for Assistance".

Description of Projects

A very brief description of the proposed project.

Anticipated Start and Completion Date

An estimate of the start and completion dates is of particular importance as this will determine the year(s) the actual cash expenditure will be made versus the year(s) the project is eligible for commitment.

Total Project Cost

An estimate of the total costs to complete the project during the time interval, using the best available data such as quotes, contrator estimates, etc.

Year of Eligibility/Commitment

Each association will be advised of its specific investment eligibility in each year of the three-year period. The Program is designed to provide the association with the maximum flexibility in requesting which year of eligibility a specific project is approved for funding commitment.

Year of Expenditure

This corresponds to the year in which the actual cash expenditure is intended to be made by the association in order to undertake and complete the project. The Program will not make any cash expenditure to the association until proof of payment, on actual invoice or on certified progress billing, is received. There are several other restrictions:

1. All approved projects must be completed and paid for by the association no later than fiscal year 1989/90.

2. No cash expenditure will be made by the Program either in advance of the start of a project or on a project which has not been specifically approved by the O.R.C.

3. The total cash expenditure by the Program to an association during the period will not exceed that association's total three-year eligibility.

C. Financing

The association must demonstrate the financial capability of undertaking the capital improvement projects over the four-year period of the program. Brief pro-forma financial statements must be attached indicating the impact the projects and any related financing will have on the financial condition and operating profitability of the association over the four-year period. This should also include a schedule for the retirement of any debt relating to the projects.

D. Objectives

The business plan must indicate how and to what extent the implementation of the proposed investments, on a cumulative basis, will contribute to achieving the "Objectives of the Program", annually, over the four-year period.

A supporting schedule should be attached and should contain, at a minimum, the information that is outlined in the attached Schedule 2.

APPLICATION FOR ASSISTANCE

Application for Investment Assistance for specific capital improvement projects will be by letter signed by the Chief Executive Officer, or the corporate designate, of the association. This letter should contain:

1. The total anticipated costs of the projects attached to the letter and the amount of investment assistance requested.
2. A statement that the association is in a viable financial position to either generate through operations or to raise through financing the required matching funds.
3. A statement that the association understands and will abide by the terms, conditions and any limitations as referred to within the Program Guidelines.

Attached to the letter will be the project proposals under consideration and each proposal should contain the following information:

1. Project #:

   As in the three-year business plan.

2. Description of the project:

   A detailed description of the project;

   The condition of the existing facilities to be rehabilitated;

   Evidence that the proposed project is supplemental to normal operations.

3. Anticipated start and completion dates.
4. Total project cost

   Must be supported by tender documents, supplier/contractor estimates, or architectural quotes;

   Should be based on tenders, quotes, etc., from local suppliers/contractors wherever possible;

ELIGIBLE EXPENDITURES

Eligible expenditures on capital and marketing projects will include:

1. Construction costs associated with new facilities or renovation costs for changes in physical plant in order to extend the life of the asset or to provide additional program/service space:

    - moving of building or demolition;
    - service connections;
    - excavation and site work;
    - equipment rentals;
    - materials;
    - labour;
    - contractor (overhead/profit);
    - contingency;
    - insurance;
    - heating and enclosure costs for winter construction;
    - inspection fees (concrete testing, steel testing).

2. Fixed equipment can include all fixed furnishings, fittings, and equipment permanently installed in the facility that are necessary to make an area suitable for a particular use, function or operation:

    - heating, ventilating, air conditioning equipment;
    - security devices, fire alarms, audio and/or video installations;
    - lighting systems;
    - floor coverings/interior finishes;
    - major replacements of capital equipment to improve or extend life expectancy of asset;
    - signage for building identification or internal direction;
    - upgrading environmental and/or security systems to meet current standards.

3. Design competition costs.

4. Permits and municipal inspection fees.

5. Bid depository fees (tendering costs).

6. Costs associated with special amenities for persons with disabilities in order to make public facilities more accessible:

    - power assisted or low-pressure doors;
    - mechanical lifting devices (elevators, for example);
    - extra washroom facilities for disabled persons;
    - internal ramps and associated handrails;
    - special handrails for blind persons;
    - braille signage;
    - modification to emergency equipment so that disabled persons may be able to use it (e.g., emergency telephones, fire bells, etc.)

7. Energy conservation costs:

   - heat pumps;
   - heat storage systems;
   - heat reclamation units
   - heat exchangers;
   - fans in passive energy systems;
   - increased insulation;
   - modifications of existing windows;
   - replacement of inefficient equipment;
   - windbreaks.

   Note: Specifically excluded are any costs associated with conversion from oil to an alternate energy source. Applicants are encouraged to discuss conversion projects with the Ministry of Energy.

8. Professional fees:

   - management or marketing study fees;
   - project specific consulant;
   - project manager
   - cost control consultant;
   - engineer (structural testing, building inspection reports).

9. Marketing expenditures. A maximum of 10% of the racetracks's annual eligible allocation may be utilized to direct special marketing programs that create or enhance the public's awareness of the capital improvements made for patron comfort and enjoyability. These marketing expenditures must be matched by the racing association and are over and above the marketing costs incurred in 1985, which is considered the base year.

   The types of marketing expenditures that would qualify are:

   - market research;
   - media expenses;
   - in-house marketing personnel
   - promotional activities.

INELIGIBLE EXPENDITURES

The following will not be eligible for assistance:

1. debt retirement; and

2. any project which does not directly benefit patrons.

Must indicate the proportion of local content (dollar value);

Must indicate the number of person-weeks of direct employment created by the project, and the proportion that is of local content.

5. Year of Eligibility/Expenditure

The association must indicate the specific year of eligibility that the project is to be committed for, as well as provide a timetable of the actual cash expenditures to be made.

Note: All commitments for funding will be based on the estimated cost as indicated in the application. Such commitment will be up to a maximum amount and cannot be subsequently increased should actual project costs rise for any reason.

6. Financing

The association must be able to generate through operations or raise through financing the up-front costs of the project.

Application must indicate specifically the source of funding for the project.

For major construction projects, a schedule for the retirement of debt, if utilized, to finance the project, must be included.

Any additional cost/revenue impact associated with the specific proposal and the impact on the financial condition of the asociation.

7. Objectives

Must indicate how and to what extent the project will contribute to meeting the specific "Objectives of the Program", as set out in Schedule 2.

DISPOSAL OF FACILITIES, ETC. - O.R.C. CONSENT

The association must not sell, lease or otherwise dispose of the facilities without the O.R.C.'s consent. The association must not mortgage or encumber the facilities for more than the total value of the facilities minus the amount of the assistance, without the O.R.C.'s consent. The association must not assign this application or the assistance, without the O.R.C.'s consent.

The O.R.C. may impose terms and conditions on its consent, and may require the repayment of the assistance.

REPAYMENT OF THE FUNDS

The O.R.C. may also require repayment of the funds if the association:

(i) ceases to operate the facilities;
(ii) winds up or dissolves;
(iii) fails to achieve 80% of the results projected by the association;
(iv) breaches the Human Rights Code in the construction or operation of the facilities; or
(v) has knowingly provided any false information in this application.

INSTALMENTS

The funds will be paid in instalments determined by the O.R.C. based on the progress of the project.

Partial payments in amounts accumulating to 75% of the total commitment may be made at appropriate intervals during construction/implementation of the project. The final payment of 25% of the funds will be provided upon review of satisfactory evidence that the total project, for which the funds were approved, has been completed.

Projects must begin before the end of the fiscal year in which the funds become payable or all remaining instalments may be cancelled. However, no payments will be made for the capital or marketing project until a complete application has been received and approved by the Ministry.

FINANCIAL RECORDS

The association's financial records are subject to a comprehensive audit at any time by the internal auditors of the Ministry and by the Provincial Auditor. All financial statements and records relating to the project must be maintained by the association for ten years.

INSURANCE

Each association must keep the facilities insured against property damage and third-party liability. If the facilities are damaged or destroyed, the funds must be repaid out of the insurance proceeds unless those proceeds are used to rebuild the facilities. The association must also reimburse the O.R.C. if expenses are incurred by the Crown because of third-party claims arising from these funds.

REPORT

Each association must report to the O.R.C. on completing the project. The report should include photographs of the completed facilities, and give all details requested by the O.R.C. The association will not be eligible for further O.R.C. funds until a satisfactory account has been made of all previous projects assisted by the O.R.C.

In addition, a semi-annual report to the O.R.C. will be required from each association, that compares the actual results achieved with the objectives initially forecasted (Objectives of the Program).

TENDERING PROCESS/CANADIAN CONTENT

The O.R.C. will require that an appropriate process of competitive pricing or tendering is followed. In the evaluation of tenders, a price preference of up to 10% should be allowed in respect to Canadian content. Canadian content is defined as "Everything added in Canada - labour, materials, transportation, duty, taxes and the Canadian supplier's profit. It is the value of the supplier's net selling price minus the declared value of any imported goods or services."

ADDITIONAL TERMS

Additional terms and conditions may be imposed in the O.R.C.'s letter of approval.

Schedule 1

Name of Association

THREE-YEAR PLAN FOR CAPITAL IMPROVEMENT PROJECTS

UNDER THE RACETRACKS ASSISTANCE PROGRAM

Project #	Description of Projects	Anticipated Start and Completion Date	Total Project Cost (Estimated) $	Year of Eligibility/Commitment			Year of Expenditure			
				Year 1 1986/87	Year 2 1987/88	Year 3 1988/89	Year 1 1986/87	Year 2 1987/88	Year 3 1988/89	Year 4 1989/90

Schedule 2

____
Name of Association

OBJECTIVES EXPECTED TO BE ACHIEVED
UNDER THE RACETRACKS ASSISTANCE PROGRAM

Objectives	Actual 1984/85	Year 1 1985/86	Year 2 1986/87	Year 3 1988/89	Year 4 1989/90
1. Average daily attendance					
2. Total annual attendance					
3. Average daily wagering ($)					
4. Total annual wagering ($)					
5. Direct employment at racetrack facility					
- full-time					
- part-time (# of person-weeks)					
6. Local employment created through project (# of person-weeks)					
7. Total dollar value of projects injected into local economy					
8. Other					

NOTE: Reference to achieving other "Objectives of the Program" may be in narrative form and should also be attached.

APPENDIX M

P.E.I. STANDARDBRED HORSE OWNERS ASSOCIATION

BRIEF PRESENTED TO

THE P.E.I. HORSE INDUSTRY TASK FORCE

CONCERNING THE HARNESS RACING INDUSTRY ON P.E.I.

Submitted to: P.E.I. Horse Industry Task Force
Wendell Grasse, D.V.M., Sec.T.

Submitted by: Prince Edward Island
Standardbred Horse Owners Assoc.

November 28, 1986

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I INTRODUCTION

The P.E.I. Standardbred Horse Owners Association represents the vast majority of Standardbred owners, trainers, drivers and breeders in Queens and Kings County. Our association welcomes the opportunity to present the following brief to members of the P.E.I. Horse Industry Task Force as appointed by the Minister of Agriculture, The Honorable Tim Carroll.

We are aware that previous studies and reports have been submitted to the Government of Prince Edward Island including Lloyd Palmers's 1980 report (2) on the Prince Edward Island Horse Industry and Michael O'Brien's 1981 report (1) on the harness racing industry on P.E.I. Many of the recommendations made by both of these studies were instituted by the government of the time and we sincerely hope that our suggestions contained in the following brief will meet favorably with the Ministers desire to implement changes for the betterment of the horse industry on P.E.I.

II BACKGROUND

It has been reiterated many times by various studies including the fore mentioned two reports but just to briefly summarize the significance of Standardbred racing on P.E.I., we would like the task force to consider the following.

As pointed out in the O'Brien report (1), harness racing is one of the oldest Prince Edward Island sports but it is also an industry that contributes significantly to the economic well-being of Prince Edward Island. The total impact made by the harness industry on the Island is extremely difficult to document fully because there is no direct centre of activity which is easily identified, measured and put into quantitative terms. There are a tremendous number of spinoffs generated by this extremely volatile industry, volatile in respect that it is a very lively industry but is also one that has tended to be somewhat unstable in previous years.

Palmer's 1980 report (2) showed the projected Standardbred population on P.E.I. to be 2,364 horses, with over 600 owners of registered Standardbreds, at a total value of $7 million (total investment over $18 million) ranking third in the Agriculture sector on P.E.I. behind only dairy and beef cattle.

A Thorne, Stevenson and Kellogg report (3) estimated that at the Charlottetown Driving Park alone, as many as 900 individuals derive employment from the track and estimated incomes received were over $2 million. This includes owners, trainers, drivers, grooms, farriers, veterinarians, track employees and government.

Direct tax revenue is created for the province and indirect taxation revenue comes from income taxes on employees and those self employed, liquor taxes, property and business taxes, amusement taxes, gasoline taxes and sales tax on equipment, supplies and vehicles.

A demand for hay, grain, straw, and pasture is created in the agricultural industry.

Feeds, veterinary and farrier supplies and services cost millions of unestimatable dollars annually.

As a major recreational sport, the spinoffs created are also unmeasurable. The tourism industry would receive the largest indirect revenue generated by harness racing. Millions of dollars are spent annually by thousands of visitors and visiting horsemen who travel to the province for spectating or racing purposes, not only in the peak summer season but now year round.

Substantial revenue flows to Island motels, restaurants, food stores, department stores, gas stations, transportation companies and countless other Island businesses.

For over 150 years now harness racing has been a part of our social and agricultural heritage here on Prince Edward Island and there are obvious socio-economic benefits derived from this sport within an industry.

But not unlike many other present day industries, the economic times of our country and our region have inflicted a downward trend in the growth and development of harness racing on P.E.I. The P.E.I.S.H.O.A. are striving to reverse that trend and to help stabilize our industry.

III P.E.I.S.H.O.A. GOALS

The executive of the P.E.I.S.H.O.A. have determined that our major goal should be to make harness racing on P.E.I. a self sufficient and self supporting industry. We also aim to maintain the integrity of Island harness racing and to keep it what it is to Island people — a sport within an industry.

For these goals to occur the following senario must take place. We must have quality horses and owners, quality horsemen, and quality racing year round on all weather tracks and on prime available dates.

This in turn will attract people to the racetracks which will generate the revenue to help make our industry more viable and self sufficient.

IV INDUSTRY RESTRICTIONS and RECOMMENDATIONS

In the eyes of the P.E.I.S.H.O.A. there are several major restrictions which we consider are obstucting the further development of the harness industry here on P.E.I. and we feel that government will be able to help us in most cases with no direct net cost to the taxpayer.

The two major concerns of our association are low purses and a lack of prime winter race dates.

a) PURSES

The life blood of the harness industry here and throughout the rest of the continent is the pari-mutuel wager which generates the revenue to help operate the racetrack and also generates the money for horsemens purse pools. The purses that a race horse competes for are the only form of income that a race horse can earn for its owner. The purses today on P.E.I. are practically the same as they were 30 years ago and when one considers that the inflation rate since then has gone up over the 400% level and that it now costs approximately $5000 per year to train and race a harness horse on P.E.I., it is not hard to figure out why a large percentage of owners on the Island are losing money and are leaving the industry. Every year many quality horses and quality horsemen are developed on P.E.I. and sooner or later, they must move on to brighter lights because the low purses connot make it worthwhile for either a good horse or good driver to stay here. This is especially true in the winter months when quality horses move on to some of the larger tracks in the U.S., Ontario, Quebec and other parts of the Maritimes to compete for higher purses. This loss of quality horses and usually quality trainers and drivers deteriorates the quality of racing offered and hence down goes our wager and our revenue. On the same accord we are losing owners and we are not attracting future owners to the sport because the odds of turning a profit or even meeting the break even point are extremely low. This definitely causes an obstruction to the development of our industry.

The P.E.I.S.H.O.A., although primarily addressing the needs of standardbred horsemen on P.E.I., also must work in close co-operation with the pari mutuel tracks, specifically in our case, The Charlottetown Driving Park. They have the facility and we provide the show and usually any benefits the C.D.P. derives are usually filtered on down to the horsemen.

However, in recent years many government rebates and grants have been allocated to both pari mutuel tracks on P.E.I. for modernization and upgrading of facilities. We now feel that both Summerside and Charlottetown have operable year round working facilities (with two exceptions to be mentioned later) and that now it is time to use added rebates for a purse structure increase for horsemen to improve the quality of the product offered. We are primarily speaking of purse increases for overnight events as government assistance has already been applied to sire stakes programs. However we will touch on stakes programs in an ensuing section.

We are concerned that excessive pari mutuel take-out kills racing and that the law of diminishing returns has already been saturated here on P.E.I. with a total 34.3% take-out on feature wagers and a 21.3% take-out on win, place and show wagers.

We can not increase our take-out but we can increase our revenue by increasing our purses and bettering our racing. The P.E.I.S.H.O.A. is recommending two immediate steps be taken to increase purses on P.E.I.

The provincial government already rebates almost all of its pari mutuel take-out to the tracks and has left itself with 1.5% of the total wager.

The provincial government should rebate their 1.5% share to the horsemen for a direct use in purse pools. Using 1985 figures this would amount to approximately $66,000 at the C.D.P. from a $4,413,699 total wager. This 1.5% is not resulting in any net cost to the government, but rather it is allowing our own generated revenue to be recycled to the industry and hence leading us towards our goal of self sufficiency.

Again using 1985 figures of 107 race cards at the C.D.P. this would amount to $600.00 per night or a $50.00 increase per race based on a 12 race program. This rebate should also be given to Summerside Raceway horsemen and using their 1985 figures of 66 dates with a total wager of $1,299,136 this would amount to approximately $20,000 or about $350.00 per night or $30.00 increase per race.

This is obviously not enough and the second stage of our proposal does drift away from our self sufficiency goal. However we feel that if added money is given to us from another source for at least an experimental 2 year period, then our senario may have advanced enough to the point where our wager and revenue have increased and we will be able to support ourselves.

The only other reasonable source that we can suggest without taking directly from government pockets, is a percentage of the Alantic Lottery Corporation's sales on P.E.I. Our association feels that we can justify this by the fact that a percentage of this amount is supposed to be used to enhance the promotion of certain sports in the region and as previously mentioned, harness racing here and throughout the country is considered a spectator and recreational sport. We also feel that the lotteries have taken a lot of "our" wagering dollar away and are a major contributor to the levelling off or declining development of harness racing.

In 1984/85, Atlantic Loto sales reached $8,183,000* on P.E.I. We propose that the provincial government establish a standardbred support fund as is now in place in Alberta** and all initial funds derived be put towards an increase in overnight purses for raceway horses at Charlottetown and Summerside.

A reasonable figure to start with would be an additional 1.5% taken from the total Atlantic Loto P.E.I. sales and deposited into this proposed Standardbred Support Fund. To divide the money fairly between the two tracks, since C.D.P. generates approximately 70% of the total wager on P.E.I., the C.D.P. horsemens purse account would receive 70% while S.R.W.'s purse account would get the remaining 30%. These percentages would change accordingly as respective wagers rise or decline.

Based on 1985 figures, and again these are only approximations, the C.D.P. purse pool would receive $84,000 or $785.00 per race night or a $65.00 per race increase based on a 12 race program.

The S.R.W. purse pool would receive approximately $36,000 or $550 per night or a $45.00 increase per race for 12 races.

Combining the 1.5% mutuel rebate and a 1.5% loto concession the total amounts for each track would be $150,000 for C.D.P./year or $1,385 per night or $115.00 per race increase on a 12 race program. S.R.W. would have $56,000/year at $900/night or $75/race for 12 races.

* Lottery figures are included in Addendum 1

** See Adderndum 2

Table 1A & B below summarize the proposal.

The P.E.I.S.H.O.A. feels that the figures asked for are very reasonable and are not asking for direct government assistance. The proposal will however decrease government revenue somewhat, but if the provincial government wishes to maintain harness racing as a sport and a viable developing industry on P.E.I. then these concessions must be granted in the immediate future.

Table 1A & B - PURSE INCREASE PROPOSAL
- for overnight events at the C.D.P & S.R.W.
- based on a 12 race program
- based on 1985 figures

* These values given are rounded off to approximate figures

TABLE 1A*	C.D.P.	S.R.W.
Total Wager (85)	$4,413,699	$1,299,136
Provincial Rebate (1.5%)	66,000 A	20,000 A
Standardbred Support Fund (1.5%)	84,000 B	36,000 B
Total A + B	150,000	56,000
Increase purse pool/night	1,385	900
Increase purse/race	115	75

TABLE 1B*	Standardbred Support Fund (SSF)
Atlantic Loto PEI Sales	$8,183,000
SSF Assistance (1.5%)	120,000
CDP Purse Pool Share (70%)	84,000 B
SRW Purse Pool Share (30%)	36,000 B

b) RACE DATES

In addressing the P.E.I.S.H.O.A.'s primary goal of self sufficiency within the harness racing industry, our senario indicated year round racing on prime available dates.

Specifically focusing on the C.D.P., prime race dates are available and are used from May 1 through the end of November each year with the exception of course being a 10 day period in July when Lobster Carnival week takes place in Summerside. However from December 1 to May 1 of each year, winter racing is available to the C.D.P. on only one night per week, that being a Thursday, and also a 2 week closure during the holiday season must occur. A Saturday date is available during Charlottetown's Winter Carnival in February.

The P.E.I.S.H.O.A. considers this a severe restriction to the continued growth and development of the harness racing industry and one which requires immediate correction for the upcoming winter meet.

As a racetrack, the C.D.P. will no doubt be discussing this with the task force at some length as it is illogical to think that an operation of their magnitude can function on only one night a weeks revenue during the winter months. As far as horsemen are concerned, our senario comes into play again. Only 1 nights racing with lower wagers and hence lower purses and we lose our quality horses, quality drivers and quality racing. Many owners leave the scene and those that stay experience difficulty in getting weekly racing for their horses because of the lack of dates and a large number of entries. The whole situation creates a vicious cycle of affairs and in the long run, the horsemen and the C.D.P. both lose out.

The P.E.I.S.H.O.A. proposes the following solution to the problem.

Agriculture Canada allots race dates primarily on the basis of protected traditional dates. Summerside Raceway has traditionally had Saturday afternoon winter race dates since 1970. We wish this practice to continue but here at the C.D.P., the P.E.I.S.H.O.A. requires a weekend winter race date in addition to Thursday nights not only for economic reasons but also for the continued growth of winter racing.

Obviously the only available weekend winter race date is Sunday afternoon. It is high time that the government of Prince Edward Island finally awaken to the economic needs of an important industry in a modern day society by granting us Sunday race dates in allowing our sport to progress and not regress*.

Prince Edward Island remains the only province in Canada operating year round harness racing that does not allow Sunday racing. Sunday racing has proven highly popular and successful with the general public and at many tracks, Sundays are their best day in terms of attendance and total wager. Increases in wager leads to increases in track revenues and increases in purses for horsemen and an overall continued growth of the sport.

Sunday afternoon racing has been the survivor of many of the country's smaller tracks, especially in the winter months. Orangeville, Ontario is a prime example. A "B" circuit track only 35 miles from Greenwood Raceway in Toronto, on Thursday nights during the winter the wager is usually just below $100,000. Sunday afternoon the wager skyrockets to $250,000 or higher somedays.

Now obviously, we are not talking those kind of figures for the C.D.P. but realistically we could be looking in the range of $35 - 40,000 on Sunday afternoons and the traditional $25 - 30,000 on Thursday nights. Increased revenue - increased purses better quality horses - better quality racing.

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* See Addendum 1 - The Economic Need for Weekend Racing & Addendum 2

Here in the Maritimes, Inverness Raceway in Cape Breton, a small town of less than 2,000 support a Wednesday night card with an average $12,000 wager and a Sunday afternoon card average of about $20,000. Without Sunday afternoon racing in the fall, Inverness Raceway would not exist. Sydney, Nova Scotia races Sunday afternoon during the winter months and it is by far their biggest day. The now defunct Sackville Downs in Halifax, Nova Scotia always bet well on Saturday afternoon during winter months, but persistently bet somewhat higher on Sunday afternoon, their big day. Truro, Nova Scotia races Sunday afternoon in spring and fall and twilight Sunday dates in the summer. Moncton, New Brunswick will go with Sunday afternoon dates beginning in November of this year and if we don't get Sunday dates here, there will most likely be a large number of Island horsemen parading their wares in Moncton on winter Sundays.

Here on the Island, whether it means anything or not, the Central Kings Driving Park in St. Peters, one of the Islands most successful matinee tracks had their largest attendance of the year on October 26, Sunday afternoon with over 500 paid attendance.

The horsemen want it and the general public will readily accept it.

The P.E.I.S.H.O.A. proposes Sunday afternoon dates be added to their winter schedule from December 1 through the end of April.

As far as S.R.W. is concerned the fall months of September, October, November have traditionally seen a drop in wager below the break even point and May has also recorded low figures. We suggest that a Sunday afternoon date at S.R.W. in September through November and possibly in May, would also be very beneficial to that track and its participating horsemen. They may also have the option of using the Sunday date anytime from May through November.

Sunday racing can benefit both tracks during specific parts of the racing season and will no doubt help fulfill our stated goal.

One final concern with regards to race dates is that it does seem to be a bit of a misapplication that both tracks must shut down for a 10 day period during the peak summer tourist season while Lobster Carnival Week and Old Home Week are taking place at their respective centres.

Because of the highly traditionalized nature of such events it maybe difficult to come up with a satisfactory answer for each track but one suggestion we may make is that the C.D.P. be allowed to race a Sunday date at the beginning and end of Lobster Carnival Week and vice versa for the S.R.W. during Old Home Week.

The task force should scrutinize this situation closely as a large loss of revenue must occur at each track during these shut down periods, and not to mention a loss of racing for some horsemen.

c) TRACK AND FACILITY UPGRADING

With reference to earlier connotations, the P.E.I.S.H.O.A. feels that both pari-mutuel tracks on P.E.I. are now year round operable facilities with no present need for major renovations.

There are two areas however where facility upgrading would certainly assist the industry. As everyone is aware, the rich red clay of Prince Edward Island can certainly grow potatoes but it is definitely not conducive to all weather racing surfaces. In all other harness racing centres of North America, rockdust (stonedust) or limestone have long been established as providing the ideal all weather track surface for standardbreds.

Unfortunately, neither such material is available in the province of P.E.I. In Nova Scotia and New Brunswick, rockdust can be purchased for about $2.50/ton while on P.E.I. the cost soars to about $14.50/ton with added transportation costs increasing the bill. This makes it extremely hard for tracks to be able to afford the large amounts of material that are required to give the needed year round surface.

While members of the P.E.I.S.H.O.A. are not directly involved in the purchasing of rockdust and track maintenance, it is us who have to race over such surfaces and again poor track conditions lead to poorer quality racing and so on down the line.

The P.E.I.S.H.O.A. proposes that government subsidize truckers to bring much needed amounts of rockdust to the Island for use at both pari-mutuel tracks. Truckers subsidies, at present, apply to many other materials and there is no reason why at least once a year, the provincial government cannot assist truckers and hence assist horsemen and racetracks.

As far as facility upgrading goes, there are some stabling at both tracks that are in bad need of renovation. Government employment projects could surely be directed towards construction and renovation of stabling facilities like they have been used in the past at the various matinee tracks throughout the province. Improved stabling areas in certain situations will attract new owners and more horses to the larger tracks and will inevitably enhance the industry's growth.

Even though it was mentioned that we feel both pari-mutuel tracks are year round operable facilities, the P.E.I.S.H.O.A. does realize that patron-oriented facilities are continually in need of maintenance and improvements and we would fully endorse a P.E.I. program similar to the recently instituted Racetrack Assistance Program in Ontario. This $25 million funding program ($8.6 million per year for 3 years) will have two targets, one being the establishment of an overall industry marketing and promotion strategy, while the second includes "patron-orientated" facility improvements and capital construction at each of Ontario's tracks. These funds will be of the matching variety and wagering figures will be used to determine fund eligibility percentages.

The goals of this program are to increase jobs by 10% over the three years and to increase the yearly betting handle*. We are sure that a scaled down version of this program will go over very well on Prince Edward Island and will definitely enhance industry growth.

d) RACING COMMISSION REORGANIZATION

In the last several years the government has responded to the need of a regulatory racing commission on P.E.I. In the eyes of the P.E.I.S.H.O.A., the present racing commission is functioning well but could function better.

The commission should be set up solely for purposes of harness racing and it should indeed be a commission that decides what is good or bad for the industry. In comparison to the Liquor Control Commission and Public Utilities Commission, the P.E.I. Racing Commission does not have the authority to make decisions as the forementioned have. We feel that day to day operations would function smoothly with a stronger regulatory and fulltime commission. Licensing of industry participants is somewhat lax and more enforcement is required in this area.

Recommendations on this subject will nodoubt be coming from other segements of the industry and the P.E.I.S.H.O.A. will endorse any changes that will better the industry control.

* See Addendum 3

V OTHER AREAS OF CONCERN

a) SIRES STAKES PROGRAMS

Sire Stake and Breeding Associations will be making presentations to the task force and as mentioned the P.E.I.S.H.O.A. is primarily concerned with overnight events for raceway horses.

However we fully endorse all present sire stakes programs in the Maritimes and sincerely hope that all government assistance for such breeding and racing programs will continue and perhaps will even continue on an expanded level. The objectives of such associations as the P.E.I. Colt Stakes Association and the Atlantic Sire Stakes Association are to promote the breeding and raising of quality standardbreds on P.E.I. and in the Maritimes.

These associations will inevitably also be looking for more government input and without getting into details, it may be feasible to combine a percentage of loto funds in our proposed Standardbred Support Fund and to earmark this percentage for Sire Stake programs.

b) MATINEE TRACK DEVELOPMENT

No big sport can function properly without a farm league and harness racing is no exception. Here on the Island, we are blessed with an abundance of so-called matinee tracks (approximately 9 functioning tracks) and while they do not have the facility nor the aura of the big city tracks, they certainly do have a place in the cultural and agricultural heritage of rural Prince Edward Island.

The P.E.I.S.H.O.A. acknowledges these tracks not as a restriction to our industry growth but rather as an augmentable segment of the harness industry. To that accord we recommend that government provide assistance to such tracks in any reasonable manner available, to ensure their popularity and growth continue.

c) FEDERAL GOVERNMENT TAX CREDIT

Although not a provincial matter, the current allowable federal tax credit for horse owners is definitely a severe restriction to industry development. This tax credit allowing the first $2,500 of losses to be deductable and one half of the next $5,000 for total net deduction of $5,000, no matter how many horses one owns. No change has been made in this tax law for a least the past decade and yet the consumer price index continues to rise.

This tax credit does absolutely nothing to attract new owners to the business of harness racing and in actual fact it takes present owners out of the sport because they cannot afford the non deductable losses often increased.

Horsemen's groups across the country and especially in Ontario have been lobbying the federal government for quite some time now, but as yet to no avail.

The P.E.I.S.H.O.A. is proposing that a provincial tax credit be established on P.E.I. as an added incentive to attract new owners to the business of harness racing. It can also be applied to the purchase of improved breeding stock on the Island which in the long run will only promote industry development.

We also recommend that the provincial government do all within their power to lobby the federal government on increasing the now derelict federal tax credit.

VI GENERAL RECOMMENDATIONS

a) PROMOTION

On P.E.I. as mentioned previously, harness racing compliments the tourist industry in various manners, especially during the summer months. The P.E.I.S.H.O.A. considers this as an enhancement towards industry growth and recommends that government continue to promote harness racing as a tourist spectator sport and could possibly even expand its promotional ideas especially during the off season (e.g. during Charlottetown and Summerside Winter Carnival). This type of promotion will bring more money to P.E.I. and more money to Island tracks and horsemen.

Also mentioned before was the Ontario Racetrack Assistance Program's target in the establishment of an overall industry marketing and promotion strategy. We feel that our provincial government could follow their guidelines and establish such a strategy for P.E.I.

Not only could this scheme be applied to harness racing but also to the horse industry as a whole in the province of P.E.I. This would help reach the Minister's goals of allowing the industry to meet its maximum development and potential.

b) EQUINE FIELD WORKER

Recommended previously by both Palmer (2) and O'Brien(1), the P.E.I.S.H.O.A. strongly supports the Department of Agriculture's hiring of a full time fieldman or Equine production specialist. Such a person would work with individual breeders and groups of the whole horse industry on P.E.I. and would obviously enhance industry growth.

VII SUMMARY

The harness racing industry on Prince Edeard Island has a significant impact on the socio-ecomomic well being of the province, and it is heavily enshrined in the Islands cultural and agricultural heritage.

The P.E.I. Standardbred Horse Owners Association primarily representing the needs of owners, trainers, drivers, and breeders of Queens and Kings Counties, has established major goals of making harness racing on P.E.I. a self sufficient and self supporting industry while maintaining its integrity and keeping it a sport within an industry.

Several restrictions are obstructing further development of the harness industry on P.E.I. and the P.E.I.S.H.O.A. is making recommendations to the provincial government that in most cases will require no direct cost to the tax payer.

1) LOW PURSES for overnight events causing a loss of owners, quality horses and quality drivers to our industry and hence lowering the quality of racing and lowering the pari-mutuel wager (revenue).

RECOMMENDATION

Provincial government should rebate its 1.5% pari-mutuel take-out to horsemens purse pools and an additional 1.5% should be extracted from P.E.I.'s Atlantic Loto Sales and used to establish a Standardbred Support Fund with all initial funds also going to horsemens purse pools. Approximate figures are given in tables 1A and 1B.

2) RACE DATES. Lack of a prime winter race date for the C.D.P. from December 1 - April 30 has caused a lowered pari-mutuel wager and less racing for Island horsemen leading again to loss of owners and quality horses.

RECOMMENDATION

Grant Sunday afternoon race dates to the C.D.P. from December 1 - April 30 and grant Sunday dates to the S.R.W. from May through November 30. Also grant Sunday dates to opposing tracks while Lobster Carnival Week and Old Home Week are taking place respectively.

3) TRACK AND FACILITY UPGRADING Lack of rockdust on P.E.I. distracts from an all weather year round racing surface at both tracks and transportation cost from the mainland are excessive. Also stabling repairs are required.

RECOMMENDATION

Subsidize truckers at least once annually to allow each pari-mutuel track to purchase and use a large amount of rockdust on racing surfaces. Provincial Government should institute a scaled down version of Ontarios Racetrack Assistance Program to establish an industry Marketing and Promotion Strategy and to upgrade Patron-oriented and horsemens facilities.

4) RACING COMMISSION REORGANIZATION The P.E.I. Racing Commission is functioning well but there is definitely room for improvement.

RECOMMENDATION

Establish a commission solely for the purposes of harness racing and make it a commission like others that has the authority to make decisions for the industry. Enforce licensing requirements more stringently.

5) OTHER AREAS OF CONCERN

a) SIRE STAKES PROGRAMS should continue to be supported by provincial governments in the Maritimes and possibly at an expanded level to promote the breeding and raising of Standardbreds on P.E.I.

b) MATINEE TRACK DEVELOPMENT should be encouraged by the provincial government as they augment the pari-mutuel tracks on the Island.

c) FEDERAL GOVERNMENT TAX CREDIT is derelict and outdated and is causing the sport to lose owners and to experience difficulties in attracting new owners and horses.

RECOMMENDATION

The P.E.I. government should establish a provincial tax credit as an added incentive to attract new owners into the sport and also to encourage the purchase of upgraded breeding stock. The province should also lobby the federal government to change its mandate.

6) GENERAL RECOMMENDATIONS were also made concerning promotion of not only harness racing but also the entire horse industry on P.E.I., especially in regards to its impact on the tourism industry.

It was also recommended that a full time equine field worker would be a definite asset to development and growth of the horse industry in the province of P.E.I.

The suggestions and proposals have been made and now it is up to the Minister of Agriculture and the provincial government to thoroughly assess the industry's situation and to move as quickly as possible on implementing various programs, rebates, etc.

Prince Edward Island is known as "The Kentucky of Canada", but in recent years the harness and horse industry have declined due to the ecomomic times of our country. We are doing all we can to help ourselves and now is the time for government to kick in and put this Northern Kentucky back on the right road again.

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THE ECONOMIC NEED FOR WEEK-END RACING

AND

RE-ORGANIZATION OF THE P.E.I. HORSE RACING AND SPORTS COMMISSION

Submission To:	Honourable Joseph Ghiz Premier of Prince Edward Island
Submitted By:	Prince Edward Island Standardbred Horse Owners' Association

HARNESS RACING - THE INDUSTRY

Harness racing is one of the oldest sports on P.E.I., originating in the early 1800's. From a sport and a past time the activity has grown substantially over the years to a significant industry on P.E.I. Much like the development of hockey, football and baseball, harness racing has developed into a significant sports industry all across Canada. The Charlottetown Driving Park has had continuous racing since 1890 and is one of the oldest race tracks in Canada. Summerside Raceway is celebrating 100 years of racing in 1986.

The standardbred horse industry on P.E.I. can be emphasized by the fact that it ranks third in value behind dairy cattle and beef cattle, ahead of the total value of hogs, sheep and poultry. An analysis of the horse industry, prepared by H. Lloyd Palmer of the P.E.I. Department of Agriculture and Forestry in 1980, contains the following values:

Dairy Cattle	$43,000,000
Beef Cattle	25,550,000
Horses	9,828,100
Hogs	8,700,000
Poultry	680,000
Sheep	482,000
	$88,340,100

The standbred industry is big on Prince Edward Island; however, race horse owners and breeders are losing money. In reference to the Palmer report, the total investment in standardbred horses in both racing and breeding in the year 1979 was $18,100,000. The breakdown of the total income and expenses are as follows:

Standardbred	Total Income ($)	Total Expenses	Losses
Race Horses	2,625,000	6,500,000	3,875,000
Broodmares	775,000	3,100,000	2,325,000
	3,400,000	9,600,000	6,200,00

In the past six years total income has not increased to any great extent while expenses have soared.

Harness racing, like any other industry, touches and affects other industrial sectors, in particular agriculture, tourism and small manufacturing and service sectors.

In the agriculture industry, harness racing adds to general farm income by creating demand for products such as hay, grain, straw, feed, etc. as well as the breeding and raising of horses for its racing industry.

In the tourism industry, the spectacle of harness racing is a favorite attraction for the tourism trade throughout the year and not just in the summer months. The annual Old Home Week in Charlottetown and the Lobster Carnival in Summerside are the major tourism attractions each year, contributing millions of dollars to the Island economy.

The harness racing industry is a purchaser of millions of dollars worth of goods, veternary and farrier supplies and services, equipment from local manufacturers and other related items.

Employment is a very significant factor in the harness racing industry. The operation of race tracks employs many people. At the C.D.P. approximately two hundred are employed during the regular racing season, with the majority in the para-mutuel areas. However, there are many officials, office staff, canteen and lounge staff, track maintenance, print shop staff, score card sellers, security, etc. All these people benefit from full or part-time employment. In addition to the personnel hired by the track itself, many drivers, trainers and grooms are employed looking after 80-90 horses that make up each race card and the 500-600 horses training at all times during the year.

Indirectly there is a spin off of employment relating to the harness racing industry. They vary from employment in the horse insurance business to transportation and equipment sales, such as the manufacture and repair of jog carts and sulkies. Feed, horseshoeing, wheel repairs, building material, clothing, footware, horse blankets and harness manufacture and repair, veterinary supplies and service etc. are some other examples, not to mention employment in the breeding and raising of horses to race at the Maritime tracks or to sell in Central and Western Canada and the United States. A study completed recently by Thorne, Stevenson & Kellogg indicated there are 850-900 jobs directly related to the operations at the Charlottetown Driving Park, with an annual payroll in excess of $2,000,000.

All of this employment is a concern of government. If there was no racing on P.E.I. all of this would stop. It is very important that government cooperate with the track management and horsemen to help both groups make the racing industry viable. Government benefits indirectly from the spin off industries through the increased tax base. Government benefits directly from the tax at the tracks through liquor sales, food sales, para-mutuel taxes, income taxes, taxes on transportation etc.

There is a need for all concerned to have an ever present incentive to take the steps that will bring new owners and new people to the race industry and make it increasingly attractive as a sport, industry and recreation.

On December 3, 1985, a general meeting was called of all horsemen involved in harness racing on P.E.I. Despite very inclement weather conditions, one of the largest number of horsemen in recent years turned out for the meeting to protest a decision of the P.E.I. Racing & Sports Commission to reduce race dates in Charlottetown and the failure of the Commission to allow the C.D.P. to race a weekend card in the winter months. The horsemen were very disappointed that the Racing Commission, rather than taking the lead in promotion of the harness racing industry, were in fact taking regressive action. The horsemen had tried, through the medium of joint meetings and discussion, to convince all concerned they must take new initiatives and take positive action if the standardbred racing and breeding industry were once again to become vibrant and viable on P.E.I. After considerable discussion and suggestions the following proposals were passed as guidelines to our Executive Committee:

1. Support from the horsemen to the Race Tracks for Sunday racing on P.E.I.
2. Support from the horsemen to the Race Tracks for a legal challange to exempt harness racing pari-mutuels from the present Day of Rest Act.
3. Request to the P.E.I. Government for a re-organization of the present P.E.I. Racing & Sports Commission.

THE ECONOMIC NEED FOR WEEK-END RACING - SATURDAY/SUNDAY

Harness racing on P.E.I. is not a new sport, but one that has enjoyed a popularity and support for more than one hundred years. The harness racing industry has a home grown aspect and the majority of owners are personally involved in every aspect of the industry. Despite the deep-rooted and widespread interest in the sport by many people from all parts of the Province and from all walks of life, harness racing is a costly sport and one that is becoming increasingly so. The race tracks are themselves commercial operations with the needs and demands of any normal business operation. While this is a submission presented by horsemen, it should be said and recognized that much of our success is dependent on successful and well run race track operations. In this regard we have a mutual interest. By and large and despite normal differences, we feel that our track operations in this Province have improved in recent years and that continuing expansion is both necessary and desirable for the industry as a whole.

While there are many ingredients involved in the provision of a good horse program for both horsemen and the general public, there are, as we see it, three essential elements; good race facilities, amenable facilities for the racing public and thirdly, and of most importance to the horsemen, an equitable return in terms of purse money. We, as horse owners, are upset by the upward spiralling of costs, as are most people. Equipment purchases, horse upkeep and feed are some aspects that have doubled in costs in the past years.

While we have made some progress in recent years in terms of purse increases, we are conscious of the fact that we, along with our tracks, are in many respects in competition with tracks elsewhere in the Maritime Provinces and as far away as Montreal. As such, it is necessary for us to remain competitive so as to not only keep our horsemen racing here in our home province and in turn providing good entertainment and recreation for Islanders, but as well to ensure continuing growth of the industry.

In this regard we are aware of the growth of Sunday racing in all parts of Canada and North America. As a result of the recent decision of the government in the Province of New Brunswick to allow Sunday racing, P.E.I. remains the only province in Canada operating year round harness racing without the benefit of Sunday racing. It also must be pointed out at this time that the Charlottetown Driving Park is the [illegible]ck operating year round without the benefit of a weekend race date for the winte[illegible]s!

In almost every instance where it has been initiated, Sunday racing has proven highly popular with the general public and in almost every instance it has proven to be the best day in terms of both betting and attendance for tracks everywhere. This increase in both dollars and popularity has led to larger revenues for the tracks, increased purse money for the horse owners and a general improvement in all aspects of harness racing. If public acceptance of Sunday racing is a big question in this issue, as we suggest it is, we would humbly argue that Sunday racing everywhere has won overwhelming acceptance and this is evidenced in attendance figures at tracks throughout Canada and the United States.

Harness racing has grown to be a major sport in nearly all Canadian provinces and Sunday racing has been highly successful and equally acceptable. We, at this time, because of competitive factors, are gravely concerned because our neighbouring provinces have instituted Sunday racing and we are prohibited such an undertaking on P.E.I. It is inconceivable that we have just two tracks on P.E.I., yet no arrangement exists for weekend race dates at both tracks year round.

Over the past months both the C.D.P. and our Association has assessed the question of Sunday racing and we feel through our observations that the general public of this province and certainly the harness race public would be very much in accord with such a progressive move. Any opposition to the idea, we feel, would be isolated to a vocal minority. And yet, doesn't any positive change or proposal of almost any kind create some opposition?

We are aware that a request for Sunday racing from the C.D.P. was brought to the Executive Council in the fall of 1984. In a reply from the Minister of Justice it was the opinion of Cabinet that six days a week of pari-mutuel betting sould be sufficient for the horsemen and the betting public. However, from December to May every year the Charlottetown Driving Park does not have a selection of six days a week to offer pari-mutuel betting to the horsemen and betting public in P.E.I. and the same can be said for the track operations in Summerside. The track, horsemen and public are restricted to five days, which are all week days, from December to May in Charlottetown and from May to October in Summerside. It has been proven without argument that week-day cards have traditionally been lower wagering and attendance cards than those offered on the weekend.

It has also been stated, although to a minor extent, that there are only so many dollars to be spent each week on P.E.I. on pari-mutuel wagering, regardless of the dates. When we look at the dramatic increase in lottery spending on P.E.I. over the past nine years, we feel this statement is completely unfounded. The following figures illustrate the dramatic climb in sales through the Atlantic Lottery Corporation on P.E.I. since 1976.

Year	Sales
1976/77	776,000
1977/78	2,878,000
1978/79	2,599,000
1979/80	2,502,000
1980/81	3,229,000
1981/82	4,143,000
1982/83	4,833,000
1983/84	6,407,000
1984/85	8,183,000

The above illustration also indicates the magnitude of competition we are facing from the lotteries in recent years. Based on the fact that Islanders are spending increasingly more on lotteries and bingos, coupled with the fact that a substantial number of harness racing fans are leaving the Island on weekends to attend races in other provinces, we feel quite confident that an additional race date on P.E.I. can only lead to an increase wager on P.E.I.

Although the horsemen have expressed a willingness, if absolutely necessary, to launch a legal challenge to obtain a weekend race date, we are quite confident that such a move is unnecessary and would do no more than allow the media the opportunity to elevate the issues against the government and possibly the track and horsemen. We have confidence that this government will see the problems and inequalities under which both the horsemen and C.D.P. are presently operating and will act to eliminate such road blocks. Our feeling is that honest discussions between all parties involved will go further than a court ruling in understanding everyones postition and situation.

RE-ORGANIZATION OF P.E.I. RACING AND SPORTS COMMISSION

The horsemen and harness racing public, in attendance at the meeting of December 3, 1985, agreed unanimously that the time has come for all concerned with the standardbred industry in P.E.I. to re-access the relationship between the P.E.I. Government, the P.E.I. Horse Racing and Sports Commission, the Charlottetown Driving Park and Summerside Raceway and the Horseowner's Associations of P.E.I.

The initial function of the P.E.I. Horse Racing and Sports Commission is to regulate just and reasonable rates of treatment in accordance with the Act and Regulations. A second responsibility is to promote the interest of the industry it regulated. The efficiency of the P.E.I. Horse Racing and Sports Commission, which is caught in conflict between the Charlottetown Driving Park and the Summerside Raceway on the one hand and the apparent political influence on the part of the Government of P.E.I. on the other hand, is seriously impaired in such a situation. Moreover, regulatory actions, taken by the Commission in areas involving the awarding of race dates, which are constantly in dispute, not only impair relationships between the two tracks and the regional horsemen's associations but also undermines the whole industry on P.E.I.

Our concept of the role of a Commission responsible for the whole of the P.E.I. Standardbred Industry is as one in which those placed in this postition must be well informed as to the needs of the industry and capable of making recommendations and enforcing the Act and regulations free of influence from track operators, horsemen and governments. Such enforcement and recommendations must be based on sound reasoning and information, not merely on personal opinions.

The Palmer report outlines this same concept as follows; "Competent individuals should be named as members of the Commission . . . . . The Commission in addition to enforcing the rules and proper conduct of racing, would be the official body through which the industry would deal in making requests to government for the betterment of the industry."

In preparation for the meeting of December 3, 1985 and this submission, the P.E.I.S.H.O.A. requested information on which the Commission based their decision for the allocation of the 1986 race dates. Attached, is an appendix to this submission, are minutes of the meeting of the Commission, race track officials and Agriculture Canada on November 26, 1985, a letter from the CDP requesting reasons for the decision of the Commission and their responses.

We, as an association representing a large number of people affected by decisions of the Racing Commission, are disturbed by the fact that the above information contains no sound reasoning for decisions on race date allocation other than unfounded opinions of the Commission. Our concern is compounded more by the fact that the decision may have been influenced by a Municipal Government.

Statements to the media made by the former Minister of Justice, also responsible for the Harness Racing Industry in P.E.I. under Community and Cultural Affairs, alluding to possible non-allocation of the Sunday race dates by the Commission in the event the Court allows Sunday racing, further suggests the fact that the present Commission is seriously impaired in making decisions for the betterment of the industry.

It is generally felt by those involved in the standardbred industry that the P.E.I. Government, the tracks and horsemens' association must make a concentrated effort to re-organize the present Commission to recognize the breeding and racing of standardbred horses for what it is - an industry. The very concept of the "P.E.I. Racing and Sports Commission" tends to treat the standardbred industry as a sport. It is much more than a sport.

It is the recommendation of the P.E.I. Horseowners' Association that a separate Commission be formed, possibly called the "P.E.I. Standardbred Commission" to replace the present Horse Racing Commission. This new Commission would be re-organized under the responsibility of the Department of Industry.

The P.E.I.S.H.O.A. also provides the following recommendations for consideration:

1. Appointment to the Commission shall be representative of all of P.E.I.
2. Appointments to the Commission shall be based on expertise in the standardbred Industry and ability to regulate, develop, promote and enhance the industry.

3. The Commission shall be responsible for decisions based on sound information and such decisions and information shall be documented.
4. The Act shall contain the rights of appeal, not only to the Commission but to the court.

The above recommendations are provided as a framework from which to wórk and we would suggest a joint committee be established from Government, Horsemens' Association and race tracks to co-ordinate the re-organization and make further recommendations for improvement of the industry.

In closing we would ask for your consideration to the following areas of our submission:

- the economic impact of the standardbred industry to tourism, agriculture, manufacturing, employment etc.
- the economic need for a year round week-end race date in light of growing competition and increasing cost.
- the need for re-organization and strengthening of a commission responsible for the standardbred industry.

Our association is prepared to meet at any time and preferable at an early date to discuss the concern of our submission with members of Government.

Enclosure
February 17,1986

OJC, Flamboro win Sunday racing bids

Although the rewards are delayed until 1987, The Ontario Jockey Club and Flamboro Downs emerged as winners at the Ontario Racing Commission hearing into their application for amended 1986 dates.

The big issue was "Sunday racing" and the big news was that commencing on Jan. 4, 1987 both Greenwood and Flamboro Downs will have it.

According to the O.R.C. decision "Flamboro will be permitted Sunday racing during the 1987 Mohawk Spring Meeting, provided such dates are applied for and confirming Ontario Jockey Club - Flamboro Downs agreement documents are acceptable to the O.R.C."

The Flamboro application was for Sunday matinee racing when Mohawk races, and was not opposed by the public and community groups that faced the O.J.C.

In granting Flamboro's application the Ontario Racing Commission found their expansion proposals "to be based on a solid management plan. From the horsemen's viewpoint, expansion there, and a resulting more balanced schedule mean more racing opportunities."

Charles Juravinski, squire of Flamboro, was pleased. "We operate two days a week six months of the year which is no way to make a living. We've always done well but when we go two nights a week we constantly lose great gobs of money. Being able to go an additional day gives us more continuity. We're in a pretty heavy market, and now for a change we won't be closing down and telling our customers to go someplace else."

The O.J.C. application was opposed not only by community groups in the Greenwood area but vigorously by Orangeville Raceway who now operate on Sunday.

The Ontario Racing Commission, in considering Greenwood's application for Sunday racing, found "Sunday racing at Greenwood to be overwhelmingly in the best interests of the Ontario racing industry and its 46,000 employees. Larger attendance means larger mutuel handles. In turn these mean bigger purses and an attraction to new investors. At the same time an equalization formula means a sharing of this largesse via rebates to bolster purses at smaller tracks."

The Ontario Racing Commission therefore approved in principle the application of the Ontario Jockey Club for Sunday racing, but for two reasons, (1) a brief respite for Orangeville Raceway to develop a plan of action for the future and (2) a smooth transition for patrons and horsemen into Sunday racing, the innovation was not to be fully implemented until 1987.

Orangeville opposed the application through its management and employees and was supported by civic groups and the Agricultural Society. The exhibits included a petition signed by 2300 persons from the Orangeville area. The O.R.C. stated "In fact there is a pervasive attitude of gloom, despondency and pessimism emanating from almost all who speak about the Raceway."

In their conclusion the O.R.C. stated "It would be unwise, unfair and non-productive to attempt to artificially restrain or even freeze growth of racing in the big Ontario market in hopes something would come along to save Orangeville."

Horseman Stew Firlotte, the O.H.H.A. representative for horsemen on the O.J.C. circuit stated that standardbred racing deserved the chance to compete against sports that used Sundays to make inroads, citing the Blue Jays, Argos, Maple Leafs and wrestling.

Other groups supporting the application were the Horseman's Benevolent and Protective Association, the Canadian Thoroughbred Horse Society and the Canadian Standardbred Horse Society. O.H.H.A. represented by Joe Burke because of its divergent horsemen's interests, tried the middle road in their representation.

The Commission concluded that Orangeville "has failed to develop a definite market sector" and asked the track to submit a management plan as part of its 1987 race date application. "Provided a realistic plan is received the O.R.C. will ask O.H.H.A. with Orangeville area horsemen as well as owner Hardcastle to join with the Commission to put together a scenario for a success plan based on a three-way initiative."

Rate payers groups that opposed the Greenwood Sunday plan vowed to continue their opposition after chairman, Frank Drea ruled their concerns were beyond the Commission's jurisdiction. They have applied to the Supreme Court for a hearing but no date has been set.

In related decisions the Commission granted the application to conduct inter-track wagering at Woodbine on the Greenwood winter thoroughbred meeting on 34 racing dates. The O.J.C. agreed to eliminate 4 p.m. Thursday post times at Woodbine in 1987.

Addendum 3 Page 22

The Canadia
SPORTSMA
The oldest turf journal in Americ
Established 1870
Tillsonburg, Ontario, Canada, April 15, 1986

Government gives boost to racing in Alberta

By HAROLD HOWE

The Alberta harness horse industry received a welcome shot in the arm April 1 with the announcement of a new financial program by the provincial government.

Effective immediately, the monies directed to purse supplements and breeders grants will increase from $1.28 million paid in 1985 to a projected $3.1 million for the ensuing year.

This much heralded financial assistance package was achieved by doubling the 2% gross rebate the government returns to the industry to 4%.

"The government was very concerned with the declining handles in the province the past four years," explained Alberta Racing Commission chairman Roy Farran.

"It was decided something had to be done because the government wants to support the raising of horses as part of the diversification of the provincial economy. It is a labor intensive industry and there are 5,600 people we can directly attribute to that work force excluding the unlicensed people," he said.

(Continued on Page 4)

Government gives boost

(Continued from Page 1)

The boost in monies is primarily aimed at increasing overnight purses with special incentives to Alberta sired horses. The $3.1 million is broken down as such:

— $70,500 to the Alberta Standardbred Horse Association on the condition that $50,000 of that be spent in the development of racing opportunities for Class B harness events.

— $458,000 for the Alberta Sires Stakes which remains unchanged from the prior program.

— $384,000 to overnight races conditioned as Alberta breds preferred. This amount is doubled from the prior program.

— $54,000 in the form of breeders' awards which remains unchanged.

— $1,280,000 in general purse support. This is more than double the previous year and is the most dramatic aspect of the new program boosting the assistance to $6,100 per day.

— $743,000 in a special fund which will see any Alberta sired horse that finishes first, second or third in a race other than a stake event receive $500, $250 and $125 respectively. This will be counted on the horse's money earnings.

— $116,000 contingency fund to cover any miscalculations in the monies paid to the Alberta sired winners over the course of the year.

"The reaction to this program has been very good, if nothing else because it involves no increase in taxes. All the money is generated from the government's take (5%) from each betting dollar," said Farran.

Harness racing wagering in Alberta reached a milestone in 1985 surpassing thoroughbred betting for the first time. Some $83 million accounted for 51.27% of the province's entire pari-mutuel wagering.

Reaction to the government's new plan was positive according to the Alberta Standardbred Horse Association's secretary manager Dan Garinger.

"This is the biggest boost for Alberta's harness horse industry that I have seen in my 17 years in racing," said Garinger.

"I've had more calls on this program in the last two weeks than I received here in the past two years. I see a great rejuvenation in interest for Alberta sired horses and look for the sales to be strong this fall," he said.

However the breeders in Alberta are less than ecstatic with the program according to Jim Rhodes of Sky West Farms, one of the largest breeding nursery in Alberta.

"Don't get me wrong. I think the money the government is kicking back is a very positive thing for the industry overall. It shows that the government is recognizing racing as a viable industry in Alberta."

"But I believe it's an NDP style program. There is blanket financial assistance for both the cheap and better class horses. What it's done is send horsemen scrambling to buy Alberta sired horses ready to race. With the bonus system they could have their original investment back in no time," he explained.

"There is no more money put into the Alberta Sires Stakes itself. Therefore we do not anticipate any greater demand for Alberta sired yearlings as the sales this fall. This has done little to help the breeders who will still be forced to train their horses before getting a respectable price."

Rhodes who admits to being against a bonus program sees the breeders now lobbying to have more money directed into the Alberta Sires Stakes in the future moving in the direction of the existing Ontario program.

June 3, 1986

Ontario racing industry receives $25 million boost

By Mike Stoikopoulos

Racing fans across Ontario can expect improvements in the 'creature comforts'' of their favourite standardbred and thoroughbred facilities in the very near future.

These capital improvements will be the direct result of the Liberal government's recently-tabled Racetrack Assistance Program.The newly-announced program, spearheaded by Agriculture and Food Minister Jack Riddell and Consumer and Commercial Affairs Minister Monte Kwinter, will see up to $25 million available to horse racing facilities over the next three years in a controlled investment by the province.

Under the conditions of the new funding venture, $8.6 million per year will be allotted for increased spending in two separate categories, with guidelines stipulated and overseen by the Ontario Racing Commission. The first of these targets is the establishment of an overall industry marketing and promotion strategy, while the second includes 'patron-oriented'' facility improvements and capital construction at each of Ontario's tracks.

The marketing and promotion program is budgeted at 15 percent of the $8.6 million annual investment by the Province. This amounts to approximately $1.25 million.

According to ORC chairman Frank Drea, representatives from many of Ontario's racetracks are currently getting together in a non-profit organization deemed the Federation of Ontario Racetrack Marketing (FORM). This group will make recommendations to the ORC on how and where the money would be best spent.

Drea sees these marketing funds targeted towards a 'generic'' promotional blitz that emphasizes the fun and excitement of racing in Ontario, be it the standardbred or thoroughbred variety.

Drea, an ardent and enthusiastic life-long racing fan, suggests that an awareness campaign is necessary to ensure that horseracing is considered by all sectors of society in the battle for the entertainment buck.

'The crowd at the racetrack is getting older, and we have to make sure that the young people and families at least consider the racetrack as an alternative,'' noted Drea.

'Every day an entertainment choice is being made,'' commented ORC Commissioner Harry Addison Jr. 'It is the government's goal to ensure that racing is considered as one of those choices.''

When queried whether the new advertising campaign would highlight the 'fun and excitement'' aspect or the 'increase your wealth'' aspect of horseracing, Drea suggested that that was a topic for FORM to discuss and determine.

Each racetrack must also spend at least as much in local marketing and promotion as it did in 1985. Audited statements will soon be requested by the ORC. Failure to spend similarily in coming years will result in deductions from the capital improvement funds available or, in extreme cases, loss of eligibility for those funds.

The great majority of the $8.6 million will be earmarked for capital improvements. Each facility will be eligible for a percentage of these funds equivalent to its share of 1984 wagering revenues (the last year that such figures were available).

These funds will be of the matching variety, meaning that the track must put up half of the money for any intended projects. All projects must have approval of the ORC committee which is composed of Drea, Addison, and senior civil servant Bill McDonnell.

Because of the volume of wagering at OJC tracks (100% of the $320 million that went through the thoroughbred windows in 1984 and 55.8% of the $506 million wagered on the standardbreds),the four OJC facilities will have available to them the greatest share of these new funds.

Drea expects the OJC to focus much of the money and attention on the Fort Erie thoroughbred facility, as well as the dual purpose Greenwood complex.

'We want tender love and care for North America's greatest betting shop—Greenwood,'' commented Drea. 'The sun never sets on Greenwood.''

Drea made it extremely clear that these funds were to be used for fan comfort and enjoyment.

'We've already told the tracks that no barns, track improvements, ship-in or worker facilities will be eligible under this program.''

When asked whether the construction of a new facility for racing would qualify under this program, Drea indicated that it would not.

'But'', he added 'you show me someone who would like to put up a new track, particularily in Eastern Ontario, and I'd be glad to show them all kinds of government incentives already in place that would make it worthwhile.''

Drea also indicated that a number of the small tracks that operate only during the summer months have already been guaranteed special consideration.

'We've already talked to places like Woodstock and Leamington, and they know they will be looked after,'' he noted.

The goals of the new Racetrack Assistance Program are to increase jobs (currently estimated at 43,000) by 10% over the three years and to up the total yearly betting handle to over the $1 billion plateau (a 15% increase in wagering).

While Drea was quick to praise Riddell, Kwinter, and the Peterson government, Drea himself must take a good deal of the credit for the new program. Many of the ideas that have now become reality were first unveiled in Drea's 1985 report on the status of racing in Ontario presented to the then Conservative governments. ☐

Fank Drea

the Standardbred NEWS

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APPENDIX O

ALBERTON DRIVING PARK

PRINCE COUNTY EXHIBITION ASSOCIATION

October, 1986

The Board of Directors of the Prince County Exhibition Association would like to congratulate this Commission on their appointment to survey one of the most cherished aspects of P.E.I. society - Harness racing.

Several years ago our Board reintroduced racing to our fair after an absence of over twenty-five years. In the inaugural years of our fair racing was as perhaps its peak in terms of fan interest on P.E.I. with the late Harry O'Brien then operating the track in Alberton and his illustrious sons contesting the various events. Subsequently fan interest declined and the result was a absence of racing in the West Prince area for a number of years. The revitalization brought about at least in part by the construction of our racetrack has produced a standardbred explosion in the West Prince area.

We can point with pride to at least twenty-five horsemen in West Prince who have procured U.S.T.A. liscenses in the past five years and who are campaigning at least one horse that was developed at the Matinee level. A prime example would be Elton Millar and Ken Dawson who copped the Rothmans two year old Filly Stake with Esker Eve. Both of these gentlemen started racing horses at the Matinee level and have obiviously made great advances in both stock and abilities since that time.

In our view the success of racing is firmly rooted in the grass root level of this province. It is the one and two horse stables that will build and sustain this industry. Consequently we feel that there is a need to emphasize the importance of supporting the development of small stables. This could be accomplished by implementing several steps related to improving our breeding industry.

First we would like to see a province wide support system for the development of worthwhile classes for standardbred exhibits.

cont page 2.....

Currently Old Home Week and the Prince County Exhibition are the only two shows to actively promote special conformation classes 6or standardbreds. Old Home Week has the Premiers Plate and the Prince County Exhibition has the Robert & Ada Shaw Line class. Both of these classes attract considerable fan interest but with some financial support which would not be exorbiant the breeding industry would be promoted at a level which would showcase the breed in a forum that would promote the entry of new competitors to the industry and reward those currently in the business. An example of how such a proposal might work would be to allot five hundred dollars to each county to promote such exhibits. The individual shows would be requested to provide a similar amount in cash or kind (trophies, coolers, etc.) thereby permitting colts to show for approximately one thousand dollars in exhibit monies. The top five finishers in each class could then show for a Provincial Final staged in late August or early September (prior to the Yearling sales). These top fifteen colts could be showcased at either SRW or CDP prior to or during a race card thus generating another promotional event.

Secondly, although we are well aware of the deminishing returns that breeders have received over the past few years, we feel that some concentration should be placed upon upgrading the quality of breeding in the province. We would propose that a program be instituted that would provide a 25% subsidy up to a maximum of $3000. for the purchase of top quality broodmares. These broodmares would have to comply with stringent standards (an example might be á personal race win record of 2:00 or better or a production record of one in 2:00) and as a consequence should have a dramatic impact upon speed production in the province. The access to this program could be limited to a specific number, perhaps 25 per year with a breeder being able to access the program only once.

Thirdly, we feel that stakes programs for two, three, and four year old Maritime foaled colts and fillies should be more actively promoted and should receive greater financial assistance. The spin-off benefits that would accrue to the agricultural section in terms of wages, feed production, etc., hardly need to be

cont page 3....

emphasized to a Board possessing the expertise of this one. The Rothmans Sires Stakes is a prime example of how a stakes program can attract interest and generate funds in the industry.

Fourthly it is our opinion that P.E.I. has too many racing dates and that this detracts from the overall presentation. It would be wise to reduce these dates by at least 10% per track. An equitable solution might involve S.R.W. shutting down during September and October and C.D.P. Following suit during January and February.

Fifthly we would like to state our unequivocal opposition to Sunday racing dates for this province. The problem today is one that involves a surplus of dates, not a scarcity. Halifax area with an urban population that equals that of our Province could not operate a viable industry with three dates per week, to think that we in P.E.I. can accomplish more is bordering on the ludicrous. In addition we in the racing industry tend to pride ourselves on the fact that this spot is a family one. In our view Sunday should be a day spent with the family in relaxation and family activities which probably should include church attendance. The social fabric of P.E.I. has always included harness racing but has also always included church and Family participation- the proportions should be maintained and six days should be mare than sufficient to race horses.

In conclusion we would like to express our appreciation for the opportunity to express our views and to state our opinions on how the industry might be enhanced.

Alberton, Prince County Exhibition Association

Pres. ....

Sec'y ....

Board of Directors,
Prince County Exhibition

APPENDIX Q

KEN CROCKETT

TO: TASK FORCE ON THE HORSE INDUSTRY ON PRINCE EDWARD ISLAND

PROPOSAL

The Harness Racing Industry can be thankful for one thing and that is the generation of good horsemen over the many years harness racing has been on the Island. We can be thankful for the knowledge gained and passed down from past generations, but perhaps more important, a majority of horsemen today are descendants of pioneers in this industry. Horsemen are born, not made. They are born with a certain quality called "Horse Sense" which can neither be bought or learned.

Not everybody in this industry has this quality; some get recognition they do not deserve, while others of greater ability go unnoticed. But it is the true horsemen, both past and present, that have improved our racing and our P.E.I. bred horses. Nobody can deny the advancements made in the Harness racing Industry during the past twenty years.

We are all aware that the harness racing Industry is facing serious problems. Some critics suggest the horsemen have to improve their industry from within. To that I say, they have been doing exactly that for the past one hundred years, with great advances during the past twenty years. No true horseman will ever stop trying to improve himself, his horses or his business as a whole. There is always room for improvement whether it be horse racing or politics.

The main problem facing our Industry is the small purses being paid, which of course, are caused by a declining public bet. I believe this is related to a dramatic rise in popularity of the lotteries. Enclosed are statistics from the Federal Department of Agriculture on the harness racing industry from 1970 to 1985. Also, statistics from the Atlantic Lottery Corporation, 1976-1985. From 1970 to 1975 the harness racing industry shows real growth with an average bet per race in 1970 of $1,629.71 to an average bet per race in 1975 of $3,152.06. From 1975 to 1980 the average bet rose slightly to $3,541.79, while in 1985 the average bet per race dropped to $2,952.37. If you consider the rate of inflation from 1975 to 1985 you can see that our industry is in serious trouble. I suggest that our average bet per race should have been over $6,000 just to cover inflation.

The Lottery business on the other hand, has grown incredibly well, starting out at $776,000 in 1976-77 to $8,183,000 in 1984-85, and I believe over $9,000,000 in 1985-86. Since the Province of Prince Edward Island is a shareholder in the Atlantic Lottery Corporation, it is actually competing against the race tracks for the gambling dollars of the public. How many industries on P.E.I. are actually competing against the government for their existence? Not only are lotteries taking many away from tracks now, but also, limit the possibility for growth in the upcoming years to near ZERO.

The most logical solution to this problem, and really gentlemen, this is the major problem you are facing, would be to stop the sale of lottery tickets. I suggest that if a study was done, P.E.I. loses millions of dollars from the economy to lottery winners in other provinces. The Atlantic Lottery Corporation claims it has no record of how much money was actually won by Islanders, probably because it is embarassingly low; it would be negative publicity to print such a record.

Therefore, I suggest that no responsible government should be engaged in a business that:

(1) Competes against an established Industry such as the Harness Racing Industry.

(2) Drains millions of dollars away from the economy of its own province.

The second solution would be for the government to take some of their share of the Lottery earnings, which in 1984-85 was 2.51 million and I believe in 1985-86 around 3 million, and put it into harness racing. I don't look at this as subsidized harness racing; on the contrary, it would be compensation for the government unjustly competing against private industry.

This money could go into a P.E.I. Sire Stake program worth $1,000,000. Divided as follows:

$200,000 for 2 year olds
$400,000 for 3 year olds
$400,000 for 4 year olds.

In addition, since our overnite purses are so low, any P.E.I. sired horse not racing in stake races, would receive from an additional fund, one dollar for every dollar it made in regular overnite events. Can you imagine the boost this would give our horse breeders? I don't believe I have to go on about the merits of such a program.

I know the government will argue that it refunds a large portion of its parmutual tax back to the tracks and for this I am grateful, but the race tracks have been faced with growing expenses, loans taken out to improve their facilities, and a shrinking bet. Very little, if any, government money is going to the horse owners.

I hope that this Task Force has not been set up to whitewash the issues, but to come up with some concrete plan to improve dramatically the Harness Racing Industry on P.E.I.

George E. Murphy

Wally Dalziel

Yours truly,

Ken Crockett

APPENDIX R

JACK CRUICKSHANK

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October 24th, 1986.

Dr. Wendell Grasse,
Department of Agriculture,
Charlottetown, P. E. I.

Dear Doctor:

Let me say how pleased I am to see you and your colleagues are going forward with the Task Force. I am sure that you will hear many and varied views. As you can imagine a person who has spent thirty years of his lifetime in the Harness Racing Industry, and who has had a year and a half to reflect back on those thirty years, would naturally have some views.

It is sometimes hard to express yourself properly on paper but I will endeavour to do so, but if you or your committee felt it advisable at a later date, I would appear in person and elaborate.

Let us start out by analyzing where the Industry is now and what has happened. I think the Industry right now in the Maritimes and other parts of North America is in bad strights - declining attendance, which relates to a decrease in purses and causing financial hardships to those in the industry, breeding etc. etc. It is my belief that in the last number of years we have shown artificial growth, mainly by increasing the number of races on a race card from 8 to 9 and to 10, 11, and 12. We have increased our Triactors, Exactors, or whatever, to the detriment of the public, the sport, and the future. I personally do not believe that a band-aid remedy is possible. I believe what we have been doing over the last number of years has been band-aid remedies - increase the Take-Out - increase the Racing Dates - increase the Triactors - on and on. I can go on and elaborate in this vein, but I think anybody who has been associated with Harness Racing in the last ten years knows we are in trouble.

The burning question is: "What is the solution?". I have said at the outset - band-aids did work in the early stages, but I think you are looking now at major surgery and maybe plowing some new ground. Let me also mention early in my proposal that

that I am making these proposals lacking complete financial knowledge to properly come to solid conclusions. I think the first job your Task Force should do is have your costs analyzed at both Charlottetown and Summerside racetracks. This is a job for an accountant, and it is of the utmost importance that you have reliable, concise costs to assist you in making certain decisions.

Also let me say very early that the Summerside-Charlottetown parochialism will have to stop, and your decisions and recommendations should be for the interest of the whole of Prince Edward Island, and not for one or the other racetrack. Let me say I will not be touching on the Breeding, or Quality, of your horses as I believe there is little lacking in this area, in fact, your horses are more than likely too good and of too high a quality for the amount of purse money they can receive. I believe there are a number of areas where cost savings could be obtained by the amalgamation of certain jobs now being done separately between Charlottetown and Summerside. One that stands out would be the printing of programs, the sharing of certain equipment(pari-mutuel equipment, starting gate, etc.etc.). I believe your Take-Out,is much, much, too high. The racetracks in the Maritime Provinces are taking the highest Take-Out anywhere in North America. I would put a maximum ceiling of 25% take-out on Win, Place, Show, Exactor, Quinella, Daily Double, and 30% on Triactors, with the understanding that only a maximum of three Triactors be run on any one race card. It is my opinion that race nights, Monday to Thursday, the maximum of allowable races should be nine, and that on afternoons, Friday night and Saturday night, the maximum would be ten races. Going back to Triactors - one triactor must be on the last race and the first triactor no earlier than the fourth race.

The Classification System should follow that as laid out in the USTA rule book, better known as conditioned racing. The writing of conditions should be such as to encourage and promote the young horses. I have literally dozens of points I would want to make in this area, but let me give just one or two to point out the trend that should be taken. Aged horses 5 years and older should not be allowed to race in a class lower than (equal to the middle of your purse schedule). This will force older horses on their way down into claimers. At the bare minimum you should have 25% claiming races. You should never allow a 6 year old maiden to race in a Maiden Race, which I saw this summer on P. E. I. The whole system of classification is designed for a number of reasons, first to keep Drivers, Trainers, and Owners honest, secondly to promote young horses, and thirdly, and most important of all, to make it appealing to the public.

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I recommend that a Racing Commission of three be appointed, all three of the highest calibre that can be found on Prince Edward Island. One commissioner should be appointed that would be very knowledgeable of racing at Charlottetown; one commissioner should be appointed that is very knowledgeable of racing at Summerside; and the third commissioner, which should be the Chairman, should be appointed because of his stature in the community and that could be an ambassador for Harness Racing, and should be of the calibre one notch below God (if you get stuck, I'd take two notches). One of the first and most important jobs would be the hiring of two judges of the highest calibre possible, both capable of being Presiding Judge and both would work the two racetracks, taking turn about being Presiding Judge. A third Judge should be appointed as a back-up and perhaps as a trainee. It may be necessary to send these persons off the Island for a period of training or perhaps better still, bring someone on the Island for training purposes. It is my firm belief that maybe the most important item at a race track, after the horses, is a good Presiding Judge.

I think you can appreciate the difficulty in writing a complete handbook from A to Z on harness racing on Prince Edward Island with limited time, but let me try to summarize my position:

(1) The Band-Aid Treatment has no value. You should go all the way.

(2) A complete financial analysis is necessary in making all these decisions.

(3) The Take-Out at the Pari-Mutuel is much too high and should be lowered with the Horsemen's Contract tied into it.

I believe that Sunday racing should be tried, and as a phase-in, go on a six month trial basis. Sunday racing has to be part of the allocation of racing dates and not just an extra racing date. You have too much racing as it is. I can see where benefits could be derived from a very close association of the Summerside and Charlottetown race tracks everywhere from joint advertising to joint purchasing. They almost should be operated as one race track - it may not be possible and this may be going a little too far.

While I do not want to confuse the issue any more I believe this whole concept as outlined in my letter could be introduced right across New Brunswick and Nova Scotia. Maybe P. E. I. could lead the way. The timing for any change is ideal in that anything like this should be done in the quiet winter months, having say a target date of May 1st for implementation. There are many more items I could touch on, and if you are interested in my proposal and concept, I would be prepared to elaborate or make the trip to the Island to discuss some of my ideas on a personal basis. I wish you the best in your deliberations.

Yours very truly,

Jack Cruickshank

JFC:mh

APPENDIX S

GERRY EVANS

BRIEF SUBMITTED TO THE MINISTERIAL TASK FORCE

INTO

THE HORSE INDUSTRY IN PRINCE EDWARD ISLAND

PRESENTED BY

GERRY EVANS - OWNER, TRAINER, DRIVER

P.E.I. STANDARDBRED HORSE RACING AND SPORTS COMMISSION ACT

PROBLEMS - LEGISLATION - POLICY -

Introduction

The purpose of this paper is to reassess the relationship between the P.E.I. Government, the P.E.I. Horse Racing and Sports Commission, the CDP and Summerside Racetracks and the two Horseowners' Associations of P.E.I. in light of recent developments and the need for change.

This paper starts with a review of political accountability which exists as a result of the use of an administrative tribunal (the Prince Edward Island Horse Racing and Sports Commission) in a system of government founded upon the notion of political accountability. This issue has never been adequately dealt with and has led to present day confusion. The paper will then seek to establish a working basis for further analysis which will emphasize the essentially political nature of the work of the Racing Commission. This will lead to an examination of the role and extent of political control both in terms of Ministerial responsibility and in the broader context of public accountability. It will seek to distinguish between political accountability for individual decisions involving the application of settled rules and for decisions which, in applying the broad legislative mandates under which administrative tribunals operate, amount in themselves to major political determinations. Finally, the paper will move away from accountability for the decisions of tribunals and touch on the broader issues of political responsibility for the setting up of tribunals and granting them such extensive mandates.

Background

The initial function of the P.E.I. Horse Racing and Sports Commission is to regulate just and reasonable rates of treatment in accordance with the Act and Regulations. A second responsibility is to promote the interest of the industry it regulates.

The efficiency of the P.E.I. Horse Racing and Sports Commission which is caught in a tug-of-war between Summerside Raceway and the Charlottetown Driving Park on the one hand and the apparent political interference on the part of the P.E.I. government on the other hand and the limitations imposed on it by restrictive legislation is seriously impaired in such a situation. Moreover, regulatory actions taken by the Commission in areas involving the awarding of racing dates which are constantly in dispute, disrupts and impairs relationships between the two racetracks and the horsemen's associations. In this situation where the regulatory function overlaps, there has developed enormous conflict because of the different objectives of the two racetracks and the two horsemen's associations. Furthermore, the attempts by government, through the Commission, to direct or supervise the economic development of the industry has seriously impaired, if not frustrated altogether, by contradictory requirements imposed by the Commission the potential for economic development to indeed take place. This is so because the Commission has no authority to regulate beyond the provisions contained in the statutes.

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By way of introduction for change, it must be stressed that although the representatives of business and government do possess different motives and perspectives, their mutual relations ought to be directed toward a single end goal, which is the devising of proceedures and standards of accommodation consistent with the economic interest and objectives of the industry. This is necessary because the industry's function is that of profit maximization. The government, on the other hand, often perceives its interests to include other options such as keeping the peace or, perhaps, for political reasons. This intervention, in my view, further exacerbates the situation.

The historic background of the P.E.I. political experience is one whereby some regulatory authorities such as the P.E.I. Horse Racing and Sports Commission are not at the fringe of the public sector, where they belong, but are primary instruments of social, economic and political control. Moreover, they constitute a major institutional innovation in the Provincial legislative system inasmuch as they involve a transfer of power from elected representatives to appointed officials. Agencies such as the P.E.I. Horse Racing and Sports Commission and like bodies all share one common characteristic; they are entities that exist outside the traditional departmental structure of government.

The nature of economic regulation provides the reasons for establishing agencies outside the traditional departmental structures. In the

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first place, economic regulation is a highly complex responsibility and requires a type of expertise not usually found in bureaucracies. Secondly, traditional structures cannot provide the flexibility or continuity of policy necessary for the experimental and innovative needs of economic regulation. The third reason is that a separate agency is required to insulate the function of economic regulation from political pressure inasmuch as regulation involves government interference in the exercise of traditional private proprietary rights. Impartiality must be exercised to ensure that there are no partisan interference in the regulatory process.

In this context, regulatory agencies such as the Commission provide a valuable alternative to the traditional government department as an instrument for the achievement of public policy objectives. Commissions can manage a given function with a higher degree of atonomy from the political process then the departmental form allows. Further, the establishment of a Commission set-up permits businessmen to be appointed to the boards of directors, thereby bringing their business expertise to the management of commercial or quasi-commercial activities on behalf of the government.

In the present situation, clearly something is wrong. It would be naive, however, to believe that all argument and disruption will disappear overnight if only there were a better understanding of the structure of policy-making. The challenge, of course, is to ensure that the enabling legislation and the structural atonomy of the Commission leads to the maximum effort being spent in grappling with the substantive issues involved and a minimum effort devoted into distructive squabbles about who does what, where, when and to whom.

Before addressing specific proposals, it would be well to lay out a broad conceptual basis on which details may be later engrafted. At the outset, this requires a recognition of a fundamental and all too often ignored reality; administrative tribunals are sometimes called upon to make what are essentially political decisions. It should be stated that what is involved here is not partisan party politics. Thus, to say that the Racing Commission is involved in politics is not in any way to fault it for this involvement. It is rather to recognize a reality which, if ignored, will inevitably lead to confusion. To recognize the essential political nature of the work of the Commission should not lead to a violent swing of the pendulum from independence to total political accountability and control of all the work of the Commission. A fine balance has to be struck between political accountability and independence in such a manner as to obtain the benefit of independence without compromising the requirements of political accountability.

It would be well to restate the major benefits of independent decision-making by administrative tribunals. They can provide a much needed open and dispassionate forum for decision-making removed from immediate partisan considerations. As well, they bring continuity, consistency and experience to bear in the problems assigned them. Above all, the openness of their procedures can provide for a unique degree of legitimacy for their decisions. However, in the present system, structurally there is built into the system a high degree of tension between accountability and independence. This tension is made considerably more acute

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because the Commission functions as an administrative tribunal which in itself is a conflict of terms. In their 'administrative capacity', they are accountable to the government; as 'tribunals' they must be accorded a measure of independence. The P.E.I. Racing and Sports Commission cannot in future be half slave to their political masters and half free to serve the interests of the industry it was legislatively established to serve.

The alternative to independent regulatory bodies is, of course, their disappearance and the exercise of their present functions by and within a department of government. I do not accept this as a realistic alternative to a Quasi-Judicial Commission.

The time has now come to apply some of the preceding generalities in a concrete and specific fashion. It is my contention that there should be no political accountability for the individual decisions of the Racing Commission involving the application of settled rules and established policies. The very reason why the Racing Commission was established was to take individual adjudicative decisions involved in licensing, disciplining, dispensing, granting, revoking and the like out of politics in favour of impartial, independent adjudications similar to the courts. This action recognized that adjudication in these matters seldom involved a purely mechanical application of settled rules and established policies and, as such, should be subject to appeal to the courts where a party feels aggrieved.

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This is not to say, however, that having established the Commission, the government's responsibility ends. Clearly, government must ensure that the Commission receives adequate financial support, that suitably qualified persons are appointed to run it and that the legislation it is called upon to apply is the best that can be devised. Nevertheless, it should not be held accountable for individual decisions except to the extent that they flow inevitably from the application of the empowering statute and even then a distinction should be made between the decision itself and the need for amendment to the legislation.

The writer is completely opposed to political routes of appeal from decisions of the Commission such as those which provide for an appeal from the Commission to the Minister or to Cabinet. My opposition is based on four interrelated grounds:

1. First, such appeals go far to undermine the whole rationale for sluffing off adjudicative tasks to administrative tribunals as discussed.

2. Such appeals are inevitably very much hit and miss affairs and are subject to all the vagaries of the political process especially around election time and during periods of minority governments.

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3. Political second-guessing of the decisions of administrative tribunals will lead to diminuition in the quality of their decisions and in the quality of persons who will be prepared to serve on such tribunals. It is one thing to be reversed by a court of appeal; quite another to have a carefully thought out decision swept aside in the consideration of partisan politics.

4. To superimpose a political appeal on what is, in essence, a judicial process is to seek to blend together two basically incompatible processes. Having given the parties their "day in court", it is the height of folly to turn around and preemtorily reverse that decision in a secret Cabinet session. Once a decision has been made in an open manner, the only credible way in which it can be reversed is in a similar open manner by a superior judicial body.

To highlight the present concerns, the writer wishes to impress upon the Task Force the need to identify common measures which will allow the evolving system to provide a forum wherein conflicting points of view are resolved into rules which uniformly apply to all of us including the law makers themselves. In this fashion, we should be able to simultaneously provide sufficient order to maintain the functioning of the industry and to permit a sufficient degree of flexibility to allow for needed change. Once these changes are made then the law, not the lawmaker, speaks. This task must be left to an authority which is

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independent of the representative of any specific point of view to achieve impartiality, an attribute central to fairness.

Recommendations

1. Given this need for an independent authorative body, the writer recommends that the legislation now governing the industry, "The Horse Racing and Sports Commission Act" be recinded and replaced with new legislation which will apply to the Horse Industry only.

2. That a new P.E.I. Horse Industry Commission be established under legislation that will ensure its independence, i.e. of a Quasi-Judicial body which will govern, direct, control, regulate, the Horse Industry in P.E.I. and will have the responsibility to recommend on the making of Regulations to the Lieutenant Governor In Council. The Commission should report to the Legislative Assembly through the Minister of Agriculture. The Commission in addition to those powers now listed in the Act should be charged with the responsibility to recommend on changes to the legislation and to do any other things relating to the Horse Industry or to the operation of racetracks or to the setting of racing dates upon application by any racetrack under its jurisdiction.

3. That the Day of Rest Act of P.E.I. be amended to remove the provision which prohibits paramutual wagering on Sunday.

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4. That decisions of the Commission in all matters under its jurisdiction where a party is aggrieved, be appealable to a provincial court.

5. That Commissioners be appointed for a three-year term of office. Such appointments may be renewed by the Lieutenant Governor In Council for a subsequent three-year period.

6. No restrictions be placed in the enabling statute that will prohibit racing dates at any racetrack during any period of the year or any day of the week or month in which racing is conducted.

7. The enabling legislation establishing the authority for the conduct of the industry should be drafted in similar character to that of the Public Utilities Act.

APPENDIX T

DOUGLAS HARKNESS

11 ELECTRIC STREET

PHONE (902) 667-3469

ATLANTIC POST CALLS

P.O. Box 824, Amherst, N.S. B4H [redacted] 4B9

Gentlemen of The Task Force:

May I begin this presentation by saying how pleased I am that the Government of Prince Edward Island has commissioned a task force to look into matters dealing with the horse industry on Prince Edward Island. This presentation will deal with the standardbred industry, or harness racing, and the fact that we are meeting here today would appear to indicate that the government recognizes the importance of such an industry.

I congratulate the members of the Task Force on their appointments while cautioning you that it may be difficult for you to meet all of our expectations.

Nevertheless, I am confident that this exercise will be a useful one and could provide the foundation on which the standardbred industry can grow and flourish.

I appear before you as publisher and editor of ATLANTIC POST CALLS, a weekly tabloid newspaper that has covered the harness racing scene in Atlantic Canada for the last seven years. I have a vested interest in harness racing because it is a primary source of my income. Needless to say, that income relates to the economic well-being of the industry and that has not been good in recent years.

The views that I express today are based on personal observation during my seven years as publisher of Atlantic Post Calls. Many of my views reflect the opinions of others we have talked with in the industry.

While your terms of reference are to deal with matters related to the horse industry in Prince Edward Island, I would urge you to refrain from making any recommendations to government that would fragmatize the harness racing industry in the Maritime Provinces. It is my belief that harness racing is a **regional** matter.

Hopefully, the Prince Edward Island government will look at this industry in this context and seek the co-operation of its sister Maritime provinces in implimenting needed changes. I believe this goal could be reached through the Council of Maritime Premiers, which is the body that approved a .5 per cent rebate of pari-mutuel wagering to the important Atlantic Sires Stakes program.

I am not saying that the Prince Edward Island government should not look for ways to assist Islanders involved in harness racing. I am saying that the government should also look further towards an expanded role of the industry across the Maritimes.

In my view, the single greatest economic boost the harness racing industry could receive would come by way of meaningful tax reform at the federal level. I realize that such a matter is well beyond the scope of your jurisdiction, but I believe the Prince Edward Island government, in concert with its sister Maritime provinces, should make a united approach to Ottawa calling for such tax reforms.

A reform in federal taxation — call it a tax shelter if you wish — would result in new owners, something the sport has been lacking in recent years.

I believe this task force has heard from those involved in the breeding industry, so I will refrain from taking up your time with any lengthy comments on this aspect of harness racing.

It would be remiss on my part, however, if I did not recognize the great steps forward by this dedicated group in "improving the breed."

I trust that your report to government will deal with the importance to the Island economy of "importing" racehorses to the lucrative Quebec, Ontario and New England seaboard market place. When was the last time, an Island hog was sold to New England buyers for $20,000 (U.S.)?

I believe that there is a untapped market for good raceway horses in the aforementioned areas, a market that is not being realized because we lack adequate training centres for the development of young horses.

One only has to look at the success of the Colonian Standardbred Training Centre operated by Phil and Dale Pinkney at Middle Musquodoboit, N.S. to realize the contribution it has made to harness racing.

While it may be difficult to find such talent as Phil Pinkney in great abundance in the region, I believe Maritime horsemen don't have to take a back seat to anyone in the sport. If there was increased opportunity for such training centres, I believe they would greatly benefit the sport.

It has also been my observation that in areas where sires stakes purses are high, the economic well-being of the sport is greater. I point to the Ontario Sires Stakes, where the yearling market is strong and where the government has recognized the importance of the industry.

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ATLANTIC POST CALLS

P.O. Box 824, Amherst, N.S. B4H [redacted] 4B9

This task force has been told that the harness racing industry is in troubled times. I doubt if you have met with anyone who has all the answers. I certainly do not pretend to.

But I have some observations.

Many of the problems facing the industry are self-inflicted.
We are producing too many yearlings.
We are staging too many race cards.
We are over-regulated, yet not adequately governed as a sport.

Hard, tough economic facts are likely to govern the breeding industry. Surely, the breeder cannot continue to subsidize the trainers and owners by selling his stock at a loss. On the other hand, no amount of government assistance is going to help those who continue to bring inferior products to the market place.

Gentlemen, one of greatest problems facing harness racing is too much racing, especially the racing of cheap-priced horses. Harness racing lacks the excitement it once generated. We no longer have the carrot of the sub 2:00 mile to entice the fans. Our Maritime-bred two-year-olds are now pacing that fast!

At one time, the federal department of agriculture was in control of race dates, a role it obviously has been eager to abandon.

It is my contention that a relaxation in the number of race dates and the number of dashes on a race program has worked to the detriment of the industry.

I mentioned at the outset that harness racing was a regional industry or sport, so I suggest to you that it does matter how many times a week they race in Summerside or Charlottetown or Moncton, or Truro.

The fact that racing dates are granted on Prince Edward Island more on what appears to be a political consideration, than a common-sense approach continues to have an adverse effect on the industry.

I firmly believe the federal government should play an expanded role in harness racing. In fact, I believe the sport may be better served if the federal government took over full responsibilities for all facets of the sport.

That, however, in unlikely to happen.

This task force no doubt has been asked to entertain the possibility of Sunday racing.

It may be a touchy matter for the politicians, but I don't believe you can argue about the sinfulness of Sunday racing. If that is the case, there are a great number of Island residents leaving home on the weekends to commit a sin.

However, I believe that if Sunday harness racing is allowed, it should in no way be an added date to the harness racing calendar. I do not believe the industry could support another race day. It cannot support what it has now.

I like to compare what is happening in harness racing with what has happened to the National Hockey League or major league baseball in the expansion era. I confess to being a once avid fan of both sports.

At one time, I could name the starting line-up of all the major league baseball teams and the rosters of the NHL clubs. Today. I have a hard time remembering who played second base for the New York Mets in this year's world series.

Judging from the calibre of baseball most of us saw on television, you would have to concede that expansion certainly hasn't improved the calibre of play.

Many of the big league sports franchises are in serious financial trouble. One reason is that fans are being turned off, both at the gate, and on television.

Can you give me the logic of the NHL entertaining an eight-month schedule to eliminate five teams from the playoffs?

I believe there is a comparison to make with harness racing.

Except for the addicts, there is really nothing to lure the fan to the racetrack.

I mention the fact that harness racing is over-regulated, but poorly governed.

Let me give you an example. An Island horseman with a preferred class pacer must belong to the P.E.I. Horse Racing Commission, as well as being a member of the United States Trotting Association. He's also likely to belong to the P.E.I. Horsemen's Association and/or the Prince County Horsemen's Association. If he decided to race his horse in neighboring Nova Scotia, he'll find he is required to join the Nova Scotia Horse Racing Commission, and likely be persuaded to join the Horse Racing Association at the Nova Scotia track.

If he decided to test the waters in Montreal, he must become a member of the Canadian Trotting Association.

If the horse is good enough, I suppose nobody minds paying. But we question what benefit the horsemen are getting.

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P.O. Box 824, Amherst, N.S. B4H [redacted] 4B9

Horsemen racing in the Maritimes are members of the United States Trotting Association, but on Prince Edward Island or in Nova Scotia, their actions are governed by provincially-appointed racing commissions. We seriously question what contribution either the racing commissions or the USTA has made in recent years to the sport.

It certainly hasn't been in the field of leadership, or I doubt the industry would be in such straights as it is today.

There are examples of the USTA closing its eyes to infractions of its own rules, either because it felt it lacked jurisdiction, or just didn't want to rock the boat.

We have cases where provincial racing commissions license officials, who have not been licensed by the USTA. There are some cases where race meets have been held without a licensed official in the stand.

There is no uniformity in the penalties for infractions, and in most cases, no uniformity in the manner in which infractions are viewed.

All this leads to what I consider to be a major problem facing the race tracks. The lack of qualified officials who are willing to follow all the rules, not just some of them, some of the time.

This of course leads to a lack of confidence by the wagering fan, in a sport that is viewed as having a tainted image because of the actions of a **few** bad actors. And I emphasize, a few.

It would be my recommendation that this task force ask government to up-grade the standard of officials at Island tracks and work with the other Maritime provinces in reaching this objective.

The role of the Prince Edward Island Racing Commission should be examined, as well as its costs. It could be that is is reduntant.

However, in the light of the lack of efficient action provided by the USTA in its role as a governing body, I am not certain I would suggest returning to that jurisdictional body.

It may be that what is needed in Maritime racing, is a Maritime commission, headed by a Commissioner of Racing. It is certainly an avenue that should be explored.

We spoke of the problems facing the racetracks. Much of it is of their own making.

Too many race dates, plus too high a take-out from the mutuels, especially the triactor features.

Despite the fact that industry figures reflect the negative impact on such exotic wagering features as the triactor, the tracks continue to program them. They are unwilling to suffer short-term pain for long term gain.

What they have to realize is the fact **There are no winners anymore at the racetrack.** That might be overstating a fact, but the most frequent comment I hear from fans leaving the track is "I never cashed a single ticket."

It's time harness racing started to help people become winners again.

Like the legendary Mae West, " I have been rich and I have been poor, but rich is better."

It is time for the leaders of the standardbred industry to get together to iron out their problems. We can't expect governments to provide all the answers.

But I believe the government can help.

It could provide funds for the staging of a major symposium on harness racing and provide the support staff needed for such a venture.

It could assist the industry by directing more of its tourism promotion dollars to the sport. Harness racing on Prince Edward Island is more than Old Home Week at Charlottetown. Yet, your brochures and emphasis seems to be on that event.

Tourism dollars could be directed to assisting Island tracks bid successfully for such events as the Rothmans Sires Stakes, in shoulder seasons of the tourism year, such as June, mid-September and October.

It could assist by working with the Maritime Premiers Council to upgrade officials and provide uniform regulations.

It could explore the possibility of using harness racing as a vehicle to determine weekly winners of the Atlantic Loto. Certainly watching a harness racing event on prime time television would be more entertaining than watching a bunch of balls roll out of a cage. Such an endeavour would give harness racing much needed exposure on prime time TV.

In closing, I would like to thank you for the time permitted me for this presentation and to encourage you to look beyond the mountains of doubt towards a better tomorrow in harness racing.

I believe that by the establishment of this task force, that we have a long-awaited commitment from government to assist in not only what is an important industry, but what has become a way of life in what we know as the Kentucky of Canada.

APPENDIX U

FRASER NICHOLSON

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the council of
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(902)424-7590

CPMM
le conseil des premiers
ministres des maritimes
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December 3, 1986

Dr. Wendell Grasse, DVM
Secretary
P.E.I. Horse Industry Task Force
P.O. Box 1600
Charlottetown, PEI
C1A 7N3

Dear Dr. Grasse:

I regret that I could not come to meet with the Horse Industry Task Force as we discussed, but I would like to send along a few thoughts for the Task Force to consider.

I confess my bias from the outset: I was born and raised in Montague and spent a couple of my most treasured summers helping out around the barn with Alfred Lowery and Ralph Annear. When I was old enough to walk, my dad started taking me to the horse races in Charlottetown and there were a couple of seasons about fifteen years ago when I did not miss a single race at the CDP. What follows therefore, are comments from a person who loves horses and has enjoyed harness racing all my life.

Three years ago, I was given the happy assignment of assisting the Atlantic Standardbred Breeders Association in dealing with the three Maritime governments regarding the future support of the Standardbred Breeding Industry in the region. At their 56th Session in March 1984, the Premiers signed a five-year interprovincial agreement providing the Association with medium-term funding stability. I am attaching a copy of that agreement for your information. The immediate problem facing the industry at that time was resolved satisfactorily, but two questions lingered in my mind:

1. Although the five-year agreement had stabilized the funding of the Association, would it do anything to further develop the standardbred breeding and racing industry in the Maritimes?

2. On what aspects (and to what degree) should the horse industry in the Maritimes be coordinated, organized and developed on a regional basis?

I think the answer to the first question is that it did not further develop the industry, but rather maintain the status quo. I have not heard anyone provide an answer to the second question, and I do not have one myself, but perhaps it is something that the P.E.I Horse Industry Task Force should consider.

The Atlantic Standardbred Breeders Association was formed in the late sixties in an effort to create a breeding industry, improve the quality of standardbreds raised in this region, and stop the unnecessary drain of funds outside the region. The concept was based on the premise that a Maritime market was needed to create a critical mass large enough to support a viable breeding industry. There is unquestionable evidence that the Atlantic Sire Stakes Program has been very successful in terms of improving the quality of standardbreds raised in this region, and has yielded very substantial economic benefits also. In 1967 there were 107 standardbred yearlings nominated; in 1983 there were 509. The first sale of the Atlantic Standardbred Breeders Association in 1969 had 28 yearlings; in 1983 there were four sales in the Maritimes with approximately 240 yearlings being offered. These quantitative indicators, together with the very dramatic improvement in the quality of horses being bred, is a story of which Maritimers ought to be very proud. And yet, it is generally not well known in the region.

There are other "regional" examples in the agricultural sector where coordination and organization on a Maritime basis has occurred with positive results. Some examples include: the many livestock shows held within the region, the Pesticide Control Lab in Kentville which serves all three provinces, the livestock feed initiative which is currently before the federal and provincial governments, and of course, the higher education programs at the Nova Scotia Agricultural College and the Atlantic Vet College. There are many other examples outside the agricultural sector. Clearly we are not doing everything together, but there is a very substantial record of coordination and cooperation within the region.

The economic and social impacts of the horse industry in the Maritimes are startling to people who do not know very much about the industry, and even surprising to people who do. Unfortunately, there is no mechanism to keep reliable and comprehensive ongoing statistics and data. You will probably be aware of the 1980 study on the Harness Racing Industry in Nova Scotia as well as, of course, Lloyd Palmer's 1980 study on the P.E.I. Horse Industry. I thought some of the statistics in Lloyd's study were simply amazing; e.g., in value horses rank 3rd in P.E.I. behind dairy cattle and beef cattle as of January 1, 1979, and the total value of horses on that date was close to $10 million dollars. It would be very interesting to know what the present worth of the horse industry in the region is, and how that relates to other areas in the agricultural sector. I suspect that the numbers might provide a self-evident case that the industry is not only very important, but worth developing further. I would suggest to your task force that it may be worth considering whether there is a Maritime dimension in the gathering and maintenance of statistical data as well as in the development and promotion of the horse industry itself.

The Council of Maritime Premiers was established in 1971 to: 1) promote unity and purpose among the governments; 2) ensure maximum coordination of the governments and their agencies; and 3) establish the framework for joint undertakings.

The record of cooperation is very substantial, and like the statistics on the horse industry, not very well known and understood. This is not the place to document the record, but I would be very happy to supply more information if you require it.

I think we have learned at the Council that very few subjects are exclusively regional. A lot of subjects are dominately provincial, but with secondary regional aspects. Others are primarily regional, but with important provincial consideration. My question to the P.E.I Horse Industry Task Force is: Where does the horse industry, or parts of it, fit as a regional matter in this scheme of things?

You may wish to recommend to the Minister that regional dimensions of the P.E.I. Horse Industry be pursued or developed through your Premier, and the Council of Maritime Premiers. An alternative would be to suggest that your Task Force Report be submitted to the Council of Maritime Premiers for study and discussion by an interprovincial group with a view to formulating regional recommendations and initiatives where appropriate.

I hope you will find these comments to be helpful. In any event, I thought you should know that there is an Islander at the Council of Maritime Premiers who is very interested in your work, and willing to help the horse industry in any way that I can.

Yours sincerely,

Brenda McKinley

for Fraser L. Nicholson
Assistant Secretary

FLN/bm

Attachment

THIS AGREEMENT made in triplicate this 5th day of March A.D. 1984

AMONG:

The Government of the Province of New Brunswick represented herein by the Premier of New Brunswick

OF THE FIRST PART

AND

The Government of the Province of Nova Scotia represented herein by the Premier of Nova Scotia

OF THE SECOND PART

AND

The Government of the Province of Prince Edward Island represented herein by the Premier of Prince Edward Island

OF THE THIRD PART

(hereinafter referred to as the "Provinces")

WHEREAS the standardbred horseracing industry provides significant economic benefits to the three provinces;

AND WHEREAS the racing stock formerly was met largely by purchasing horses in the United States;

AND WHEREAS in an effort to create a regional standardbred breeding industry and improve the quality of horses raised within the region, the Atlantic Standardbred Breeders Association (hereinafter referred to as the "Association") was formed in 1969;

AND WHEREAS the Association chose to accomplish its objectives through the Atlantic Sire Stakes program based on the premise that a regional approach was necessary to create a market large enough to support a viable program;

AND WHEREAS purse money from the Atlantic Sire Stakes program is derived from a variety of sources; namely, stallion registration fees, yearling nomination fees, sustaining fees, starting fees, contributions from the race tracks and government grants;

AND WHEREAS the contribution of the Provinces has been based on approximately one-half of one percent of the parimutuel wager of the previous year in the respective Provinces;

AND WHEREAS the government contributions and cooperation are essential for the continuation of the Atlantic Sire Stakes program and the continued development of the standardbred breeding industry;

NOW THEREFORE the Provinces mutually covenant and agree as follows:

1) To pay the Association, or its successor, annually an amount equal to one-half of one percent of the parimutuel wager of the previous year in the respective Province on the condition that these funds are used exclusively for the continuation of the Atlantic Sire Stakes program;

2) Appropriate administrative arrangements will be made by the respective Provinces to ensure that this Agreement is implemented and maintained;

3) The Provinces will pay their contribution to the Association annually on or before May 15 of each year provided that the departmental estimates in which this item is included have been approved in the Legislatures of the respective Provinces, but in any event, no later than one month after the approval of the appropriate departmental estimates;

4) Any of the Provinces may withdraw from this Agreement by giving written notice thereof to the other two Provinces and the Association on or before the first day of April of any year and such notice shall be effective twelve (12) months after the said first day of April;

5) This Agreement shall come into full force and effect on April 1, 1984, for a period of five years ending on March 31, 1989, at which time the terms of the Agreement shall be reviewed.

SIGNED, on behalf of the Provinces by their proper and authorized representatives on the dates and places as hereunder set forth.

IN THE PRESENCE OF:

Fraser L. Nicholson
BY: Richard B. Hatfield
Representing the Province of New Brunswick

Fraser L. Nicholson
BY:
Representing the Province of Nova Scotia

Fraser L. Nicholson
BY:
Representing the Province of Prince Edward Island